

INSIDE: Gorbachev's European Triumph

Maclean's

OCTOBER 14, 1985

CANADA'S WEEKLY NEWSMAGAZINE

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OCTOBER 14, 1993 VOL. 16 NO. 41

COVER

The spies and their masters

After a long summer of defections by high-ranking spies, the fallout continued to swirl on both sides of the Atlantic. In Washington and Moscow shadowy spy-masters assessed their wins and losses in the intelligence war as the Autumn of the KGB's end rapidly became the Season of the Spy — Page 36

COVER PHOTO: NEWSPHOTO; TOP PHOTOGRAPH: AP/WIDEWORLD



The gathering crisis

An roughly 4,000 international bankers and finance ministers gather in South Korea, they face the task of easing the debt load of the world's poor — Page 62



Well-anchored but alone

First-time novelist Anna Marchak says her media star husband, Robert, provides encouragement, but her book, *Is My Dad Dead?*, is all her own. — Page 59



From worst to first

In the final week of the baseball season the Toronto Blue Jays clinched the American League East championship with a win over the New York Yankees — Page 22



Painting heaven and earth

Two new exhibitions in Toronto reveal that Lawrence Harris and Arthur Lismer took their art into magical realms after the Group of Seven disbanded. — Page 80

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LETTERS

Control on culture

John Sauter stays on the making of *Joshua*. Then, *and* Now and the condition of the Canadian cinema reveals the essential structural deference of this industry ("The making of *Joshua*," *Cineaste* 19 (Winter 1989): 10-12). [Former communications minister] Sauter's analysis is not only correct, it is important that Canadians be given the opportunity to see Canadian films. To that end, the proposed legislative action of the Quebec government to "renew the distribution monopoly of 'la majeure' among the provinces" is all other Canadian governments. Those who worry about government interference should recall the lessons of history, in which the state has not often been the only means of equalizing an unequal market. The state has often been a large external pressure. Our ability to exercise cultural sovereignty will be even more crucial in the endurance of our nation as our economic life, already integrated with that of the United States, is drawn within a petrochemical border-free trade pact.

ELIOT HANSON,
1971-1990

Facing the spectre of AIDS

Barbara Arneil outdoes herself. She ends the withholding of dental services, the "smearing out" of Arneil-affiliated people from taxes and the refusal of reintegration to them "bet untrustworthy" ("Arneil and the rights of the well," *Columbo*, Sept. 30). She claims that homosexuals are "arrogantly and needlessly protected" by some nameless "politics." She crudely identifies homosexuality with promiscuity. She equates AIDS with leprosy and prescribes proscriptions.

Gabrielle Lapeere and James Woodie: *see*

—not so subtly disguised as "official" isolating "themselves from sufferers if they so desire." She then concludes that "a knowledgeable society might have more empathy than our bureaucratic-think." With knowledge she has and civility like this, the future would be brighter than any we're to imagine.

—JOHN C. CALVERT,
Treasurer

Succinctly expressed

the interview that I gave you as a comparison between the first year of the present government and the first year of Sir Robert Borden's ("Malcolm's" anniversary). Cover, Sept. 30. I must have expressed myself very badly. I did say that friends in British Columbia and Alberta had said that what came to mind was the "first year of the present government." The rest of your attributes to me bear no resemblance whatever to anything I tried to say. Indeed, some of it is the opposite of what I said. Some specifics. I said nothing about "the political mood" in the House of Commons during the early months of Robert Borden's government. I said "entirely" so explicitly said that my recollections began about 1963 or 1964 or 1965, and I never mentioned any "mood" in the House or elsewhere. I explicitly said that Borden, in the election of 1911, possessed a "Barclay Commission Bill, and a Highway Bill, which he promptly introduced." I never said, "I have them thrown out by the House." I said nothing that could be taken as endorsing the description of Borden as "well-meaning but stupid." I saw a friend, therefore, of Sir Robert. Of course, therefore, I did not speak of a "similar failure to follow through on the part of the Mulroney government." Go on, please. I am grateful to you. I did follow through on what he had promised.

— EUGENE FORSTER

- ERIK R. FURBER,

PASSAGES

DIED: Hollywood leading man and TV actor Rock Hudson, 58, of AIDS (page T9)

HER Legendary French actress, political activist and author **Simone Signoret** 64, who revealed the private side of her lengthy film career and her marriage to actor **Yves Montand** in the 1977 autobiography *Nostalgia Don't Want It Dead* is 80, at her country home near Paris. During her 45 years in an actress the German-born Signoret appeared in more than 40 films, including *Rome a la Tia*, for which she won an Oscar.

1903- American writer E. B. (Elwyn Brooks) White, III, whose works included essays, poems, short stories and such enduring children's fare as *Charlotte's Web* and *Stuart Little*, after suffering from Alzheimer's disease, at his home in North Brooklyn, N.Y. Admired for a clear and precise revisionary style, which he set out in his revision of the popular textbook *The Elements of Style*, White began writing for *The New Yorker* in the 1930s.

MED Seismologist Charles Richter, 85, who helped to develop the scale to measure earthquake power in the 1930s, after suffering from heart disease, is Pasadena, Calif.

BIEB: World-acclaimed photographer **André Kertész**, 81, who helped establish photography as an accepted art form in museums and galleries and pioneered the use of photographs in magazines, is in New York. In the 1930s the Budapest-born Kertész contributed to innovative European magazines such as *Vu* before moving to the United States, where his work appeared in *Look*, *Life* and *House*.

BORN To popular TV star Tyne Daly, 39, who has won three Emmy Awards for her role as a detective in *Cagney and Lacey*, and her husband, actor-director Georg Stanford Brown, a third daughter, Alexandra, at Cedars-Sinai Medical Center, Los Angeles, Calif.

SENTENCE: Montreal businessman Robert Harrison, 42, in three months, in jail after pleading guilty last month to 10 counts of fraud and conspiracy to defraud individuals and companies in Montreal, by Senegalese Court Judge André Chabou. Harrison was first charged in 1983, along with Montreal lawyer Jean Bruguère and former Liberal cabinet minister Bryce Mackay, who was charged with influence peddling. A Montreal Senegalese Court dismissed charges against Mackay within three months, but Bruguère still faces 13 charges of fraud, conspiracy and perjury.

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Word power

Regarding: Stewart MacLeod's article ("The shifting sands of speech," *Globe & Mail*, Sept. 16) on politicians produce halibut that knows no bounds, either of good taste or of common sense. Far too often a politician uses words as a cloak of darkness to obscure the prying minds of the people. Even worse, politicians have started to take their own "polyspeak" seriously. This further impedes the already slow workings of Canadian government. After all, how can politicians understand the Canadian

as people when they cannot understand what they say in their own speeches? We are using the dawn of a new paradigm (literacy; politicians and professionals of all kinds are no longer able to speak in simple, direct terms. Words are used to confuse rather than to communicate issues. Being presently unemployed, I am increasingly frustrated with the Mulroney government's excess of words and lack of action. Literacy does not create jobs, decisions do. If the federal government does not get moving by the time its mandate ends, the voter may simply decide to use his "lower pedal

extremity" to "vigorously interface" with some posterior seating assembly." —DICK KERRICK, Prince George, B.C.

I thoroughly enjoyed Stewart MacLeod's column "The shifting sands of speech." If we were ever concerned that the literacy of the Canadian people was represented by the politicians and bureaucrats of our government, we should now consider ourselves notably "disembodied" of that notion.

—SARA WATTE, Halifax

Making an impression

Your article on Nelson, B.C. ("Hard times in the mountain town," *Cover*, Sept. 3), gives the wrong impression of our David Thompson University Centre, which was suddenly closed by the Social Credit government in May, 1984. There were not "400 teachers and support staff." It was more like 450 students and 40 staff, which hardly supports the model owner you quoted as saying there were more staff members than students. The truth of the matter is that for five difficult but vigorous years a small group of dedicated faculty and support staff worked extremely hard to make this experimental faculty work, offering innovative programs in education and the fine and performing arts. In our short existence, despite a continual shortage of funding and struggles over administration, we achieved a notable reputation across the province and, indeed, the country. It is not true. In my experience, that there was a lack of students. Because of limited facilities and staffing we could not accept more.

JANIS WERNICK, President

David Thompson University Centre
Support Society,
Nelson, B.C.

So much for the '60s

Your report on "Rock'n'roll rebels with a cause" (*Cover*, Sept. 2) was a big disappointment. Most middle-aged adults have no knowledge that there are plenty of conservative-minded rockers who appreciate all the lucky breaks they received in life, in contrast to the liberal-minded pseudo-hippies of the 1960s. Contrary to what many believe, there are plenty of capitalist musicians around who have better things to do than complain about topics that don't concern them.

—GEOFF MCNEILANE,
West Vancouver

Letters are edited and may be condensed. Writers should supply names, addresses and telephone numbers. Most correspondence to: *Letters to the Editor*, Maclean's magazine, One King Street Bldg., 777 Bay St., Toronto, Ont. M5W 1A7.

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A leader on the attack

Thirteen months ago John Napier Turner led the federal Liberals to their greatest electoral defeat in a quarter of a century. For the past year he has tried to sharpen his political skills while serving as Leader of the Opposition. That effort is paying off: since the House resumed on Sept. 8, Turner, 56, and the Liberals have mounted an increasingly effective challenge to the ruling Progressive Conservatives. In a recent interview with senior editors at Maclean's, Turner outlined his agenda for himself and his party. *Excerpts.*

Maclean's: Since the resumption of Parliament your conduct, demeanor and performance has become more aggressive. Why?

Turner: We are now in Year 2 of a new government. If I had been overly aggressive in Year 1, when the honeymoon was on, I think Canadians would have felt that I had not recognized they wanted the new government to succeed. Now the atmosphere is changing. The government finally brought down a budget—their first major decision—and the



Turner, proving himself every day

role of attack in the House of Commons business more immediate. I have not changed; it is just that the timetable of the government has made Opposition more relevant.

Maclean's: Do you have a game plan?

Turner: For the first year it was to get out into the country and reverse the decline and the organizational structure of the party and to set a tone in Parliament. In the past 12 months I have travelled 280,000 km in Canada, visited all the provinces, met all 282 riding presidents and associations, urging them to open up the party and to renew policy discussion. In Year 2 we are moving on to structural reform of the party. Then there will be a convention in Halifax next month to revise the constitutional structure of the Liberal party—to make it more populist, more accountable and more efficient.

Maclean's: Realistically, how are you going to win the West?

Turner: It's going to take an election or two. Certainly, for the past number of years the word "Liberal" has been a dirty word in Western Canada, and that is going to take some months and years to erase. I travel frequently in Western Canada and I am in my own riding about once every three or four weeks. The reaction is not personally and to the party is now a benevolent neutrality. The bottom shows are easier and less



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hastle. There is a distinct interest in our point of view.

Maclean's: Have you not a timetable for yourself?

Turner: In politics you prove yourself every day. It's not a question of a year or a month. I feel comfortable in the job and that the substantial majority of the party is with me. One of the disadvantages I had when I returned to politics was that I did not know many of the members of the Liberal party who had joined in the years I had been away. As well, for some of our front-bench members, adapting to the role of opposition

was difficult. Some had been ministers for many years. The psychology of opposition is different. But I am pleased with the way they are performing.

Maclean's: Are you pleased with Jean Chrétien? Has he accepted your scrutiny in the leadership race?

Turner: Jean and I fought a very closely contested leadership convention. It is tough to lose. He is well-liked in the country, well-liked in the Liberal party. He is an asset, and I hope to get the best out of him. I have to assume that Chrétien is loyal to the leader of his party. He always has been.

Maclean's: If you were the minister of Finance now, what would you have done about the failure of the Canadian Commercial Bank?

Turner: I would have got the facts before I made a decision. It is going to cost Canadians a lot of money because of lack of surveillance and lack of confidence on the part of the government. What the finance committee of the House of Commons has to look at now is a strengthening of the Deposit Insurance Corp., re-naming of the corporation, probably giving it the regulatory function or combining its role with that of the Inspector general of banks and having an overall strong regulatory system with sufficient power and staff and authority.

Number 2, anybody who gets into a banking function—whether a bank or not—should be subject to the general reserve requirements now in place for banks. As well, we were concerned that allowing industrial and nonfinancial institutions to own financial institutions was not a good idea. We believe the concentration of ownership has reached the stage in Canada where too few people are owning too much.

Maclean's: What do you think about the Macdonald commission recommendations on free trade?

Turner: Well, Mr. Macdonald represents a lot of faith, and that is what a real free trade arrangement with the United States would be. Most analysis for free trade has set forth the benefits but not the costs. The Liberal party would welcome discussion, but our view is that certain elements ought to be excluded—agriculture is one. The Auto Pact, our cultural and financial institutions might be others. And we would want to know what any free trade arrangement would mean for our regional economic development. The real problem is non-tariff barriers—government procurement policies at the federal and state and provincial level. Subsidies, export incentives—all these hidden marketing devices—that is what we have to explore. And as a member of Parliament from British Columbia, I am just as interested in enhancing our trade in the Pacific Rim, which for western Canadians is crucial. I would not want any arrangement made with the United States that would hinder our ability to penetrate the Pacific markets.

Maclean's: What are your plans for the current term in Parliament?

Turner: I hate to bludgeon a punch—but we are looking for areas of incoherence within the government and they are becoming easier to find. The main legislative issues will revolve around the budget. It is unfair to the average Canadian because it gives the wealthy all sorts of breaks, including the \$500,000 capital gains tax exemption, and it does precious little to curb the deficit. ☐



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an. But it was only when I got sick a second time in 1980 that they did an inspection and said, "You have the air-ten of a kid, and the place is in perfect condition." They confirmed in 1980 that I had never had a better attack.

Maclean's: You say in your book that when John Turner resigned in 1983, you went to him and to Pierre Trudeau and almost persuaded them to resign.

Chrétien: Yes, I talked to John both as a friend and as president of the Treasury Board. I said, "John, you cannot go, God doesn't." I also talked to his wife. But he seemed to want to go back to private life. Then Pierre said, "John, I have accepted the resignation." Then I talked to Donald MacDonald, but I felt I was kind of a hushaby.

Maclean's: Some Liberals did not forgive Turner for resigning. How did you feel?

Chrétien: I went to have a coffee with John the day after he told people that we were really or good terms. A few months after he resigned he said in a speech at the Princess Club that Chrétien was—I remember the words because they were so pleasant—probably the best minister in any government anywhere. And it was written in *The Toronto Star*. You can see the relations were excellent.

Maclean's: How are they right now?

Chrétien: A long time ago we were seen as young rovers. We were not respecting against each other; he was funny in French. We always had good relations. You know, in politics you have very little time to sit down with colleagues and have a beer and a chat. We might have had a couple of dinners together in our whole career. Whether we are good friends or only good associates, it is the same thing. If we need to talk business we talk in the corridors, we are always on the run.

Maclean's: Your book claims that during the leadership race the media jumped on the Turner leadership, hurting you.

Chrétien: I do not blame any opponent for that. I would have been happier if they had gone in my favor. But they did not. The night I was invited by a TV network to comment on the Trudeau departure, I was sitting on the set and they put on a film about John Turner. Was that a very objective thing to do? The film created the impression that it was time for an angle.

Maclean's: Do you regret that you ran for the leadership?

Chrétien: Not at all. I had fun doing it. I knew I was no wonderer and I knew the chance of winning were slim at the beginning, but they improved as the campaign went on. A lot of people thought that with a couple more days I would have won. When this last election ended it was a good push for me and somebody I liked it to go. I gave it to the press, which was in my best interest.

But that same day someone pulled a dirty trick on me. They issued another press release from Winnipeg that was three or four weeks old. It confirmed the press. But with 48 hours more, the press would have dug into that and found out that it was one month old.

Maclean's: He did find that out, but it was too late for you.

Chrétien: It was too late for me. I am not bitter. I can see a lot of things I could have done better, but it was a race and there could only be one winner.

Maclean's: Although you advised the party not to call an election after the leadership contest, Turner did so anyway.

Chrétien: I was in a very small minority of people. I gave that advice to Turner privately. But I remember one leading Liberal arguing against me. "Chrétien, you do not know anything about politics. I will always remember it."

Maclean's: How did you feel on election night?

Chrétien: It is a rough night when you see all the good members of Parliament being kicked out along with the bad ones. I felt sorry for Turner, God bless himself in that position. I talked to him to cheer him up. But it is easy for me to say, "If, if, if..."

Maclean's: Do you see Prime Minister Mulroney underestimating his ministers?

Chrétien: All the time.

Maclean's: Trudeau's statement on self.

Chrétien: Oh, I think that Trudeau was very good about it. He did understand me in some ways, but it was not his habit.

Maclean's: In 1979, when Trudeau came back from the illness, he suddenly announced his return as such without consulting you as Finance Minister. Did you want to resign?

Chrétien: Yes, but I think the problem was that I went on holiday. We had chatted in Bonn about the problem. Trudeau came back and had to make a speech to the nation. He felt he had to talk about the economy. I was not happy with the way it was handled. But I think the PM has the right to talk about anything. He is the Prime Minister; he is the only one who has a mandate to talk about everything. So, the problem is the way it came up. I felt that my credibility had been impaired. He talked to me and said "I am sorry if there was a lack of communication."

Maclean's: He apologized?

Chrétien: Yes, but he is one guy who does not go on his knees in front of you. He called me and I said that I should resign. He said, "Oh, come on, Jean!" He convinced me that I should not resign and I accepted his argument.

Maclean's: What about the Liberal party's division?

Chrétien: We have our problems. We will solve them eventually. It is better than a year ago. ☐



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CLOSE-UP

The Nautilus man

Arthur Jones says that there are only three things of value in life: younger women, faster airplanes and bigger muscles. He is experienced with all of them. His 600-acre compound near Ocala, Fla., crisscrosses with 300 canals, he owns and pilots two Boeing 707s. And the maverick millionaire now lives with his 18th wife, Terri, 21, a licensed commercial pilot. Known for his arrogance, eccentricity and gruffness, Jones, a former exotic animal importer, is able to pursue his pleasures as a result of a \$2.5-million fortune which he made as the inventor and manufacturer of Nautilus exercise machines.

The "state-of-the-art" Nautilus equipment is now in use in many of the 20,000 fitness centers flourishing in Canada and the United States. As well, the muscle-building machines—37 different models with an average price of \$2,640—are used by professional sports teams such as baseball's Montreal Expos, football's Toronto Argonauts and hockey's St. Louis Blues. Jones, who is in his 60s but refuses to give his precise age, takes visible delight in his success. "People perceive me as being wealthy and having a young, exceedingly beautiful wife," he told *Money*.

"There taken together give me a lot of people."

Still, many fitness enthusiasts love his machines. Annual sales of Nautilus Sports/Medical Industries, 67 per cent owned by Jones and headquartered in De Land, Fla., are estimated at \$300 million. Said Joe Civelli, owner of the Physical Fitness Center in Gainesville, Fla., about the leading U.S. maker of exercise equipment: "Jones is the biggest driving force in physical fitness. Everyone else sells protein supplements and hype. He sold a machine that works."

Jones's physical appearance does not promote his muscle-building machines. His shirt and trousers billow as he sits, his feet, eight-inch frame, coffee and cigarettes fuel his 18-hour days. But he

is a walking testament to stamina and endurance. A sixth-grade dropout who ran away from home in Oklahoma, Jones says that as a boy he used to work as a muscle builder. Charlie Atlas, who claimed that other men kicked sand in his face until he built up his muscles. To emulate Atlas, Jones worked out



Jones and wife Terri, muscle-building machines

with barbells, but his physique failed to respond. He blamed it on the barbell, a device that draws on muscle strength only in the very early stages of a lift.

By 1968 Jones had taught himself anatomy and physics and he applied that knowledge to finding a better way to exercise. After crafting dozens of weight-lifting devices, Jones handmade a pulley apparatus which, unlike a barbell, kept a variable amount of resistance on a muscle during an entire exercise.

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Some of Jones's neighbors cite the grants as proof that the prickly philanthropist does, in fact, believe that other humans besides himself are smart. Publicly Jones disagrees. "If anybody learns anything over the years it is that he has learned he hasn't learned anything," he said. Results gained from the grants might lead, in Jones's words, to fewer "dumb-dumbs" in the world.

MICHAEL CHASIDIS is Deputy Editor.

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An island paradise up for sale

The island is best-known for one of its former summer residents...U.S. President Franklin D. Roosevelt. But Campobello is a small Canadian island less than a quarter of a mile off the coast of Maine, a wooded, windswept footprint of land where 1,000 inhabitants, many prosperous fishermen and their families, live in peaceful isolation. Every September the island's 46-member volunteer fire department has a picnic in a grassy meadow called Gully's Field. But last month

rescued were five investors from the Arkansas capital of Little Rock, led by MacDougal, who needed, "I took the next flight to here and bought the property the very next day."

In January, 1986, his firm, the Campobello Development Co., closed the deal, paying \$1.1 million. MacDougal says that he got a bargain. "Timber companies," he said, "are notoriously poor judges of land value." The company then divided the land into approximately 700 lots—300 currently developed—and be-

used by the Campobello company.

Although Campobello is only 12 miles from New Brunswick, residents can only travel directly to Canadian land for two months of the year via ferry connections to neighboring Deer Island. A more direct route is the connecting bridge to the town of Lobec, Me., which reinforces ties to the United States. As well, almost everyone knows the Canadian-U.S. dollar exchange rate by heart, grass and automobiles given in both currencies.

At the entrance to Roosevelt Campobello International Park signs indicate opening hours in both "American" and "Canadian" time—Eastern Standard for Maine and Atlantic Standard for New Brunswick, which is one hour later. Taking a little from both cultures, island residents puff on U.S. cigarettes such as Winston or Salem and listen to car radios. And they enjoy a distinct flavor of their own. "There would not be half a dozen people that are foreigners that come from off the island," said Jack Flynn, chairman of the local advisory committee to the New Brunswick ministry of municipal affairs.

Some islanders cannot understand why anyone would want the Dead River property, with its low, rocky hills and marshy hollows, located over in the 1960s and now thickly wooded with young birch and fir. "What in the name of God would a man want with 30 acres out there?" said 73-year-old Bertie Flynn of Wiscasset Beach, a small village on the northeast coast of the island. But the Campobello company thought differently. It saw value in 30 km of spectacular ocean frontage, including half of Campobello's eastern coast—a rugged spine of low grey cliffs broken by pebble-paved crescent-shaped coves.

In 1984 the company released an eight-page brochure filled with color pictures of the island's mile-long Hermit Cove Beach and Roosevelt's restored cottage. Boldly announcing "An island paradise," it promised a marina, shopping centre, a ski slope—despite the fact that Campobello puts only an average of 32 inches of snow annually and its highest hill is only about 400 feet—a winter slide and a 4,000-m air-strip. So far, 60 buyers, most from New England, have put down deposits of as much as \$6,000 if the company sells the



Larry Kovic: outside intentions, damaged credibility, muted ambitions, more sensitivity

a threat from the outside world intruded on the event. Two men with southern U.S. accents created a plan played back in a corner of Gully's Field and offered to give away building lots to island couples who had married since January, 1965. The visitors were blue developers from Arkansas, Jim MacDougal and Larry Kovic, and their gifts—accepted by 26 couples—were an attempt to win local approval for a controversial plan to turn Campobello into a major tourist resort.

The islanders' problems began in the fall of 1980, when the last large absentee landholder, Dead River Lumber Ltd. of Saint John, N.B., decided to sell 2,990 acres—more than 40 per cent of the island. Instead of advertising in Canadian journals, the company placed an ad in *The Wall Street Journal*. The first to

go to market them at \$5,000 to \$80,000 each.

Because island residents are used to American summer tourists, they asked few questions when they learned of the purchase by the Arkansas limited, absentee landholders have owned most of Campobello Island since it was settled in 1707. Wealthy New York investors ran a booming casino and resort hotel business there at the turn of the century. By the 1930s four blue-blooded Boston and New York families, including the Adams and the Roosevelts, owned nearly three-quarters of the island. Indeed, the Roosevelt connection remains strong each year 135,000 tourists visit F.D.R.'s restored 34-room cottage, now the centerpiece of a 3,600-acre international park. As well, Roosevelt's name figures largely in the promotional material

Show Your Stripes!

Tia Maria
TONIGHT

number of lots it expects to at the list price, it could earn a profit of at least \$8 million.

Campobello residents say that they are affronted by the company's plans. The prospect of hundreds of new neighbors, even seasonal ones, alarms islanders who fear that development will turn the island into a commercial playground like Maine's glibby Bow Harbor, 100 km away. Said Violet Tucker, a 15-year-old resident. "It is going to be just like another Coney Island." Garth Fitzgerald, 55, a lifelong fisherman who is outspokenly contemptuous of the "Arabian-savvy travelers," added, "We used to have a pretty nice island here one time. You could leave the door open, the keys in your trunk. This is going to be the destruction of Campobello Island."

MacDougal and Koon deny that their plans will erode Campobello's idyllic seclusion but concede that the aggressiveness of their initial sales pitch has already damaged the company's credibility. Because of the local resistance, the two developers have muted the description of their ambitious project. References to water slides, the surfing and the ski slope have disappeared from promotional material. So has the promise of a marina, which, island fishermen protested, would drive herring and surfers away from the shoreline where that trap fish along the shore.



Fitzgerald, 'Arabian' Residents

As well, the company has set aside 150 acres for future expansion of the island's three restaurants—Wolfshead, Wilson's Beach and North Road—and paid for the steak and lobster served at last month's fishermen's barbecue. Koon now says that the company was too hasty-handed when it first arrived on the island. "We understand the environment better now," he said. "We are very sensitive to the needs of the islanders."

Still, the fear of being overwhelmed by even more U.S. summer residents has given new momentum to the islanders' proposal to incorporate the entire island as one village—a change that would give year-round residents more control over future development. The proposal will be the subject of a public meeting this fall. "As soon as we can catch everybody here," Flynn declared.

By then Koon and MacDougal will have left for Little Rock, although they say that they will continue to return to Campobello every summer until they have finished carving up the land into getting plots for refugees from last U.S. crisis. And the locals will continue to fight as they have, through 18 generations of sheltered landfills, to preserve the precious peace of their small island home from their giant neighbors.

—CIBER POND in Campobello

NOVA REPORT No 1

A closer look

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The stars go straight

Two years ago actor Stacy Keach equal *World*, a book about comedian John Belushi and his ultimately fatal passion for drugs. At the time, Keach recalled, he was a cocaine user with a sense of ironic hubris to a similar episode. "I couldn't conceive of it happening to me," he said last month, after serving a six-month sentence in an English prison for cocaine possession. Keach said he has revised the book, written by Bob Woodward of *Washington Post*. That second reading, he said, let him gauge how close he had been to addiction. Since then, he has become one of a growing number of entertainment industry figures to announce publicly that they are "going straight."

In California drugs are now losing their chic appeal in some high-profile social circles, where cocaine was once as sought after as the best lunch table at Ma Maison. While there is no estimate of the true size of the Los Angeles cocaine market, it has not been uncommon for the police to announce seizures of cocaine seizures worth a street value of

\$500,000 each. However, one reason for the drug's declining popularity may be the publicity surrounding Belushi's death in 1982 from an overdose of that drug and heroin in the rambling old Chateau Marmont hotel. More details of Belushi's death will likely emerge this fall during the preliminary hearing of Cuckoo Reilly, of Toronto, who faces charges relating to Belushi's death, three years ago.

At the same time, there is growing evidence of a new consciousness toward the use of cocaine. In the Hollywood area there are scores of recently established Cocaine Anonymous centers—there is even a chapter in a church off the city's most glamorous shopping strip, Rodeo Drive—evidence that powerful people are beginning to combat their powerlessness against drugs. Indeed, the "getting straight" movement is growing so fast, said L.A. Weekly, an arts tabloid, that "it may be the social movement of the 1980s."

Drugs have been a feature of Hollywood life since silent-film days. More recently, such prominent stars as actors

Richard Dreyfuss and Dan Haggerty, singer Tony Orlando and producer Robert Krava have publicly acknowledged their cocaine difficulties. As a result of those and other disclosures, some of Hollywood's most famous names have joined the fight against hard drugs. One is Paul Newman, whose son Scott died of an overdose of alcohol and Valium in 1978. Last spring Newman donated \$1.2 million to build a health communications center, named after his son, at the University of Southern California's sprawling inner-city campus. The center will train what Newman has called "a special hybrid of professional" who can use film and try to warn against drug use.

The Los Angeles Police Department (LAPD) has joined in the battle as well. In 1982 it formed an "entertainment squad" to sever the main drug sources in Hollywood. The squad has used a flashy Ferrari loaned from federal drug agents and a deluxe condominium in the fashionable part of Marina del Rey as fronts. The major studios—Columbia, Universal, Warner Brothers and even Disney—are also involved in the fight. Anonymous named by cocaine kingpins has been centering their major issues in both theory and manpower at all levels of protection, according to *The Hollywood Reporter*. For the past year *Madman* has been operating a drug and

alcohol action telephone line and referral program called Entertainment Industry Referral and Assistance Center, financed by the studios. Reports of the service spread verbally, through letters stuffed into payroll envelopes at the studios and in ads in trade papers such as *Daily Variety*, and have created heavy telephone traffic. In 1983's distinctly marked offices down the street from the Warner Bros. Studio, said Shirley O'Hara, Krava's liaison with Warner Bros.: "We have very talented people. Nobody wants to find them—they want them to be able to function."

Union leaders also have joined the antidrug campaign. In fact, an extraordinary contract, negotiated in 1982 and renewed two months ago between producers and the 70,000-member International Alliance of Theatrical Stage Employees (IATSE), stipulates that employees cannot use drugs and alcohol therapy without loss of losing their jobs. But an injured worker who refuses to get help will be fired—and the union has undertaken not to file a grievance. Mac St. John, spokesman for IATSE's drug and alcohol abuse program, stated in a phone interview overlooking the well-tended neighborhood of Sherman Oaks, said: "His kind of a strong thing for a union to give up a grievance, but we are all working together."



Keach: "It could never happen to me."

But some observers say that Hollywood faces major obstacles in trying to disassociate heavy drug use from its star system. A founder of Cocaine Anonymous who runs Studio 15, a run-in-bed treatment center for addicted entertainment industry employees. "For everyone who is going straight, there is at least one to take his place." As well, spokesmen for the LAPD say that they are still not getting concrete information on drug use from the film companies because the firms are concerned that arrests on the sets would jeopardize their investments. Sgt. William Lewis, of the LAPD's entertainment task force, told *MovieWeek*: "Management people have more or less winked at the problem until recently. But they are just going to have to get tough—and sacrifice some profits."

Still, there is clearly a change in attitude about cocaine in the studios and beach houses of the entertainment industry. Keach, who is currently writing his memoirs, is well addicted to cigarettes. But, he told *MovieWeek*: "It has become very fashionable, at least in southern California, not to smoke, not to drink, not to be involved with drugs." Added IATSE's St. John: "The tide has turned, at least in Hollywood. Let it's slow, and it's going to be slow."

—PATRICK MORRISON in Hollywood

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FOLLOW-UP

A crisis of conscience

For Margaret Freeman, Sunday mornings will never be the same again. She arose at 6 a.m. in Altona, Ont.'s Bethel Memorial Church beside her husband, 33-year-old, and their four children. Ray on Sept. 1, 1984, her son Barry, 30, was one of four teenage boys killed

during an old-fashioned hayride when a blue Chevrolet speeding down the wrong side of a rural road hit them. Now, says Freeman, when she is in church and sees her son's friends, she thinks, "Barry should be with them." Anger over the grisly accident—and a two-year careless driving sentence for the driver, 22-year-old Michael Warte—has kept the tragedy alive in the cluster of largely Mennonite communities near Kitchener in southern Ontario. The families of three of the victims are Mennonite and adhere to a tradition emphasizing forgiveness. But with Warte's sentence under appeal by the Crown, they must reconcile their beliefs with their desire to see him punished more severely. Said Claude Martin, an evangelist from Hawkesville whose son Bryan, 14, was one of the victims, "We've got justice, then we've got revenge and then we've got the right thing to do. We're all mixed up here."

What concerns the community is that an Ontario Supreme Court jury found Warte guilty of careless driving but acquitted him of the more serious charges he faced: four counts of criminal negligence causing death, which could have meant life imprisonment. Faith, respect and a keen sense of justice are hallmarks of the pacifist Mennonites. Usually the children are brought up in close-knit farming communities where grace is still said before meals, elders are respected and greater principles—such as a Saturday night night—have not been replaced by powder parents. Said Ontario Provincial Police Const. Ken Russell, who investigated last year's accident, "I wish to God more kids were brought up the way they are."

The contrast between the Mennonite youths on the hayride and some of the foster-living lateral youths was evident at

the four-day trial in Galtby, Ont., in June, 1984. Brenda Barnes, 18, told the husband and mother that shortly after three hayrides carrying a total of 80 youngsters left her parents' farm, "the fun had begun." She said that while some of the passengers threw hay on one



Whole-seven Deers and four deers

another, others walked beside the wagon and playfully stuffed hay in rural mudhoops.

Warte, a Grade 10 dropout from the nearby town of Drayton, was different. He admitted during cross-examination that he had consumed seven beers on the day of the accident. He also said that he drove at speeds of up to 110 km an hour on the wrong side of the road to show off to the three teenage passengers in his car. Other testimony revealed that Warte had already driven past the wagon once before the accident and knew where the hayride was heading.

Almost an hour after sunset, Warte turned onto the narrow Bethel Church Road and began speeding toward the

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COLUMN

Getting into the Blue Jays' act

By Charles Gordon

Passion fever brings out the best in baseball players. Often it brings out the worst in the fans. Consider this vignette from a recent Toronto Blue Jays home game. Two are out in the third inning, the Blue Jays against the Boston Red Sox. The Blue Jays lead the American League East and the world flaring a major catastrophe, the fans at that game knew, the Blue Jays will give Toronto its first taste of what baseball aficionados like to call "postseason play." Toronto fans should be pretty happy with their team.

And they should be pretty happy with Dan Gaudio, who leads off first base. Gaudio has been hitting well, second on the team in stolen bases and batting in the 30s.

Gaudio is asked if "The Toronto has too fire." That's what happens when you win," observes Tony Kabak, CTV's astute baseball analyst. "The front-runners come out of the woodwork."

If you are not familiar with the term, a front-runner is a person who supports a team when it is winning and disavows it when it is not. Many of the people who booed Gaudio at Exhibition Stadium had no idea what he had done for the team this year and in years past. In years past, when the Blue Jays were losing all the time, the front-runner was somewhere—perhaps test-driving 15-speed bicycles or experimenting with different brands of aftershave. Now, when Exhibition Stadium is the place to be, there he is, not understanding things too well, but looking anyway.

There are different varieties of front-runners. One decides that the ball park is a better place to be drunk and disorderly than the back of someone's car. Even though it rains and they are arrested for a crime part of the game, he chooses doing The Wave is the most fun there is. Then there is the upscale front-runner, who carries a snack of white wine, hummus and gaza bread in a nice little designer backpack. This variety of front-runner doesn't mind doing The Wave either, although he is usually too busy chatting about something other than baseball to catch The Wave when it comes by.

Front-runners inhabit other areas of life. Political parties have front-runners, who demand Senate seats when the party wins and the leader's head on a platter when the party loses. Fashionable restaurants have front-runners. Film buffs find themselves in restaurants

only long enough when a film festival happens to be the "thing" in town. So it is with baseball teams. Some of Toronto's front-runners were wearing their 800 sunglasses at Montreal's Olympic Stadium, during night games, four years ago when the Expos were Canada's team.

An on-again off-again front-runner is not a pretty sight. Imagine yourself a butterfly collector wandering peacefully through the meadow. Suddenly, as you are about to net an example of a rare species, you hear a noise. Several hundred million butterflies are screaming across your face from over the hill. "Butterflies!" the people roar. They swarm all over the meadow, trampling the flowers and causing the butterflies to vanish. The camera crew set up and immediately begin interviewing the people who just came over the hill. "How do you feel about butterflies?" they are asked. "Did you see one? How did you feel when you

The media caused the ball park to be overrun with gossip columnists, fashion writers and restaurant critics'

saw one?" Most people are liking the beer tents in the meadow and lining up for butterfly T-shirts.

It is customary to blame the media for everything that goes wrong in the world and it is always convenient to blame the case of the invasion of the front-runners. Once the media have located the latest thing, they poke and prod it, jump up and down on it until all the life has been squeezed out. Then they disappear, returning briefly for the purpose of the whatever happened-to article.

In the case of the Blue Jays, the Toronto media caused the ball park to be overrun with gossip columnists, fashion writers, restaurant critics and political reporters, because the Blue Jays were deemed the Biggest Story in Town. In the words of another astute baseball analyst, James Durand: "Everybody wants to get into the act." On page 3 every day *The Toronto Star's* Dan Gaudio filled covered what little he covered of her body with articles of apparel bearing the Blue Jays' name. One such baseball aficionado, wearing the Blue Jays T-shirt out of a long way from the bottom, was introduced to us as follows:

"The Blue Jays can't fail in their present drive to win the World Series for them. This Capriotti's business has today says it's destiny 'you'll suddenly end up on top'."

Meanwhile, on the food front of The Toronto Star were "Game-winning snacks," including such grandstand staples as french fries, hot dogs, popovers and a Greek dish containing the traditional baseball ingredients: aspirin, parsley and mint. On the sports page, where the unspeaking reader might expect to see coverage of sports, a large space was set aside for management of entertainment in the team from its fans. Many of the messages took the form of verse, such as:

I love to see a whoppyworld or robin in the spring.
But what I love most on the job
Is watching Blue Jays win it all.

Another Star article entitled "Toni Tostelli leads cheers for Jays," focused on a day at the ball park enjoyed by the American singer who, at the peak of her career a few years ago, was almost famous. Tostelli, the article pointed out, is not justifying a Blue Jays fan, but she "sang to her last and assumed" when the first baseman dug a low throw out of the dirt and "applauded Canelli all the way from the mound to the dugout" when the relief pitcher got the final out in an inning the article did not specify.

Tostelli's name is not even mentioned in the ops of outsiders was illustrated also in the electronic media, with Toronto-based television networks sending crews into the United States to ask American viewers if they would think of a Canadian team appearing in the World Series. Typically, the Americans didn't think about it much, but when they did have an opinion it concerned the likely appearance of Miranda, the actress and pop star.

There will be, in years ahead, much more of this. In a characteristically Canadian way, the Toronto media will make sure that no untold remark about Toronto or Canada by any American, be it a player, a journalist or a dentist on a package tour, goes unreported. The rest of the country, never known for its great affection for Toronto, will look on as a horror, half-watching a world championship for a Canadian city and half-watching the city where Saboteurs.

Charles Gordon is a columnist for the *Ontario Citizen*. His book, *The Governor General's Buggy Whip*, is published this month by Macmillan of Canada.

Containing the damage

The tone of the letter was humbly apologetic. It was written by the third president. They in two weeks to retract remarks that had made an issue of Prime Minister Brian Mulroney's mobility. "I especially regret any critical reflections on the Prime Minister as a result of my comments," Conservative Party national director Jerry Langport wrote last week to party president Peter Klamon. With Langport's letter among his briefing papers, Brian Mulroney wrote a brief note in which he asked the House of Commons. Even though Langport's apology was almost a week in preparation, the Prime Minister could count it as a victory as the opposition continued to pepper his government with questions about racist tones, collapsing banks and resignation.

Langport's letter, dated Sept. 26, was made public by Conservative party officials three days later. The release took place during a continuing controversy over when Mulroney first knew that former communications minister Marcel Masse, who resigned late last month, was being investigated by the sector for alleged election expense irregularities. Mulroney said that he learned of the investigation only hours before Masse resigned from his cabinet position on Sept. 26. But according to Langport, he had informed Mulroney's office weeks before that both men stuck to their stories until Deputy Prime Minister Clark Nielsen had what he described as "the discussions necessary" with Langport. The party denied the subsequent letter of retraction led Klamon, who was directed by Mulroney to investigate the letter, to issue a statement saying that Langport had made an "appropriate apology."

Langport's retraction followed two others by senior Tories. Former finance minister John Fraser, who resigned in the same week as Masse, was persuaded—by Mulroney's office—to retract his claim that he, not Mulroney, ordered more than a million miles of untaxed taxi cabs off the market. Then, Fred McLean, a Tory MP from New Brunswick, reversed his claims that he had called the taxi issue on Mulroney's presence as early as last year. But Mulroney declared that he did not know anything about the affair until the CBC broadcast the story Sept. 11.

As the own shocks of the Fraser and Masse resignations reverberated in Par-



Mulroney with Nielsen, Langport (below) an 'appropriate apology'

liament last week, the government pursued a damage-control strategy that was designed to stave off the opposition and ease media of sensationalism. But as one headline was put out, others sprang up. During the week The Canadian Press obtained details of government plans to eliminate 1,500 jobs in the Indian affairs and northern development department during the next three years. That forced the department's minister, David Crombie, to acknowledge that a major shakeup was planned in an effort to make native peoples more responsible for their affairs.

Then, Southern News Services' allegations that

Barbara Ryan-Greener, the transportation minister of state for transport, had taken a vacation in Europe, partly at government expense, as discussed Nielsen that he accused the author of the story of "reusing." According to the report, Ryan-Greener holidayed in France and Sweden after attending low-level meetings while she was environment minister. Southern also said that in April Ryan-Greener sent a departmental official to Paris for the sole purpose of explaining to the management of a hotel that she, and not her husband, Albert, who accompanied her, was the minister.

Nielsen declared in the House: "I ask myself the question: 'Is it whether or not the motivation was?' to ensure some kind of racism here."

Nielsen refused to repeat his comments outside the House and he pushed his way through a swirling group of reporters and television cameras. For her part, Ryan-Greener denied the allegations after meeting with Mulroney. At the same time, criticism of the government's handling of the closing of the Calgary-based Northland Bank last week spread from the opposition to the government's own ranks. Alex Kandy, Tory MP for Calgary East, told Mulroney: "It is certainly a bad decision, and those who are responsible for it should be gotten rid of." Kandy said that he would not go as far as to call for the resignation of Minister of State for Finance Barbara McDougall, but he said that Gerald Hawey, governor of the Bank of Canada, and William Bennett, inspector general of banks, should consider leaving their jobs.

The government's damage-control efforts were evident as the week began and McDougall announced the Northland's closure. Almost simultaneously Mulroney stated that he had appointed Mr. Justice Wilford Estey of the Supreme Court of Canada to lead a judicial inquiry into the problems of both the Northland and the Edmonton-based Canadian Commercial Bank, which ceased operations on Sept. 1. The opposition parties pledged to fight a bill introduced in Parliament on Thursday that would pay \$50 million in government funds to assumed depositors of both banks. The bill does not cover other, self-assessed, expenses associated with the bank failures. But Liberal MP Andrew Nicholson noted that the appointment of a judicial inquiry would limit the ability of MPs to get answers from the government to their questions about the bank failures (page 64).

On his part, Mulroney sought to distance himself from the aftermath of the tainted taxi issue by appointing Nielsen against fisheries minister to field questions on the issue still, the Prime Minister did repeat his earlier allegations that he knew about the taxi months before the story became public.

Masse himself appeared to be unbothered by the controversy that his resignation generated. Attending the Commons on an ordinary day, he invited his critics' questions and responded to reporters' questions with an affable "no comment." At the same time, some Tory officials said that the first investigation into Masse's electoral affairs would soon clear his name. If that happened, Masse could return to the cabinet and provide assistance to the Mulroney government's attempts to restore its image.

—PAUL GIBBELL, in Ottawa

A transfer of power

I was, and his brother, Daniel, today for family and memories, not politics. In the plain St-Johns House of Quebec's national assembly last week, Parti Québécois leader Pierre Marc Johnson recalled the oath of office making him Quebec's 24th premier, then abandoned his customary air of detachment to declare emotionally, "I obse-

ship candidates and their supporters and preparing for a general election that, until last week, was expected this fall.

Johnson acknowledged that he finds it difficult to choose between an election this fall or next spring, when the government's mandate expires. "I would like to have some time directing the government for a while because I have some ideas," he said. "But I am very aware we are near the end of our mandate and of the small size of our majority"—which shrunk, following Lévesque's formal resignation from the assembly on Sept. 26, to a one-seat majority (Standings in the 122-seat legislature: PQ 61, Liberals 35, Independent 6, vacant 3).

That 35% majority could result in a re-election on a vote of no-confidence at any time. But many Québécois privately concede that the party is not prepared for an election this year against the resurgent Liberals under former premier Robert Bourassa. Recent public opinion polls have shown the Québécois trailing the Liberals, and some members say that the party needs as much as \$1 million to pay outstanding debts.

These problems are compounded by the fact that Johnson faces a re-election battle from some leadership rivals and their supporters. Jean Garneau, the popular agriculture minister who finished third in last month's leadership vote, is considered by Johnson's old stand on Quebec sovereignty. Johnson is also re-elected by some party members who say he engineered behind-the-scenes lobbying against Lévesque that helped persuade him to step down after nine years in power.

Despite these problems, Johnson was relaxed and buoyant during his first meeting with reporters as premier. "I want to enjoy governing," he remarked, "and I think Québécois can enjoy themselves more with me than with Mr. Bourassa." Now he has time to decide when voters will have an opportunity to indicate their choice.

—ANTHONY MILANO—EDITOR in Quebec City



Johnson (left) with Lévesque, a family affair

ly cannot stop myself from evoking memories of a very similar ceremony here 19 years ago. In 1966, 39-year-old Pierre Marc went to the St-Johns House with his family to see his father, Daniel, sworn in as Union Nationale premier. Two years later Johnson did in office at a heart attack at 58. At the ceremony last week Daniel Jr., 44, a Liberal who opposes his younger brother in the assembly, patted Pierre Marc's hand and noted that there was "plenty of time tomorrow to get back to the regular political stuff."

Indeed, after being elected PQ leader on Sept. 28, the 39-year-old Johnson's time was divided last week between answering for the transfer of power with outgoing premier René Lévesque and confronting immediate political problems. Those included the delicate task of gaining the support of defeated leader-



Getty's scramble for the finish line

When Premier Peter Lougheed first announced that he would step down as leader of the Alberta Conservative party, he set in motion a contest to succeed him that was expected to be a family feud leading to the succession of former energy minister Donald Getty. Instead, the 11-week race turned into a hard-fought, divisive contest that ultimately shook shake loose the Tories' iron grip on the province.



Getty is the linchpin of a divisive campaign that could shake the Tory grip on power.

When 1981 delegates chose a new Conservative leader this weekend, Getty is expected to win out over two rivals. Minister of Agriculture John Kozak and Calgary lawyer Ronald Gitter. But the new leader may find himself at the head of a disillusioned party. Denied one longtime Conservative who requested secretary "We have designated the respect of the electorate for politics in Alberta. It has not been a positive experience."

The events at Edmonton's convention Convention Centre over the Thanksgiving weekend are likely to be dramatic. Although official delegate counts indicated that Getty had won 760 voters committed to him—with 400 supporting Kozak and 250 for Gitter—400 delegate votes are needed for victory. Getty's opponents, who claimed to detect softness in the Premier's support, need that an upset victory for Kozak or Gitter was possible if supporters of the third-place candidate rallied behind the runner-up after the first ballot. Added John Brumley, Kozak's executive assistant:

"While Getty's people are rapidly moving, we've been building roads." Despite that, opponents for Getty were confident of victory—to the point of running a newspaper advertisement referring Albertans that the former Edmonton Eskimos quarterback is ready to listen to their needs as leader and join them in building "a brighter future." Getty reminded the odd favorite of the party's old guard, with the support of

the status quo. "The moment the party adopts the approach of staying put," declared Gitter, "the party is in trouble."

While the candidates traded rhetoric, their supporters claimed that their rivals were engaging in unfair campaign practices. Organizers for Kozak and Gitter accused Getty supporters of stuffing ballot boxes at delegate selection meetings and of giving away \$5 party memberships in return for votes. In the Calgary McCall riding Conservative officials asked the police to investigate allegations that some of the Getty supporters tried to deposit mailbags were not Conservative citizens and as a result were not eligible to vote in the meeting, which resulted in a 20-delegate sweep for Getty.

In more than half a dozen other ridings, party unity was shaken when MLAs supporting Getty opposed the presence of their riding executives, leading some officials to resign angrily. Bob Benjamin Brumley, who ran as an unelected delegate in the northwestern riding of Grande Prairie and lost to a Getty ally. "When a candidate goes to the harts, the home towns and houses of people living with a lot and comes down with enough people to dominate a meeting, it's a no-day for the party. There's a lot of dissatisfaction."

The Conservative divisions delighted members of the opposition New Democratic and Alberta's tiny Liberal party. Speakers for both parties say that after 14 years in power, Alberta's Conservatives are running out of energy. The next provincial election could take place as early as November, if Getty emerges as the new Tory leader and premier and decides to call a snap election to win a seat far behind and capitalise on the political momentum generated by the hard-fought leadership race. But before calling a general election the new leader will likely first try to repair the party's divisions and offset the underlying impact that the campaign may have had on Alberta's electorate. As University of Calgary political scientist Roger Gibbins noted, "The next premier will no longer be a white knight on a charger saving Alberta from Ottawa but a regular premier, worse and all."

Kozak's building roads



ANDREW NIKOLAKIS in Edmonton



While there: Premier (below) instead of radical politics, a pragmatic approach to relieving the aftermath of a recession

Moderate beginnings in the Yukon

In the Yukon politics is an intensely personal game played with small teams on a vast field covered with sparse trees and mountains peaks. Because of that, elections in the Yukon can be decided by a handful of voters in the territory's 16 ridings. In each constituency the electorate averages fewer than 500 citizens—the equivalent, in some cases, of the local moose population. These margins meant into play last May when the New Democratic Party unexpectedly defeated the Yukon's seven-year-old Conservative government by capturing eight of the legislative assembly's 19 seats, two of them by fewer than 10 votes. That victory shocked the Tories and alarmed many local businessmen who were struggling to recover from the lingering aftereffects of the recession that nearly closed down the Yukon's mining industry.

But by the time the legislative assembly met last week to begin a new session under government leader Antony Penikese's minority NDP administration, many of the business sector's concerns had been allayed by the new government's low-key and cautiously pragmatic approach. So far, the NDP's most radical initiatives have been to replace an archaic law that allowed Yukonites to drink while driving and to announce that a local-time clause will be inserted into public works contracts.

In last week's throne speech, read by Commissioner Douglas Bell, the new

government pledged to tackle the Yukon's 25-per-cent unemployment rate by confining its efforts to reopen the Cypress Area lead-zinc mine in Pelly. Until defunct metal prices and rising costs forced it to close in 1982, the mine generated 12 per cent of the territory's tax revenue. A re-opening of operations at the mine could provide more than 1,000 direct and spin-off jobs. As well, the government will encourage communities to plan job creation programs in

such areas as tourism, farming, logging and trapping. The throne speech said: "We have relied too heavily on mining and government for our economic well-being. We must diversify."

Along with the Cypress Area mine, the other major issue that will likely dominate debate in this fall's sitting is the costly and still-incomplete name of Indian land claims in the territory. Liberal leader Roger Cullen, whose party holds two seats in the legislature, argued after the election in May to support Penikese's government. If it gave priority to the two issues—a condition in which the NDP willingly agreed.

The NDP's moderate approach has served to appease the initial fears of the Yukon's business community but it has aroused the suspicion of Conservative leader William Phelps. Phelps's party went into the May election fully confident of a big victory. But the party fell from nine seats to six on the opposition benches. (The death last month of Conservative member Andy Philipson in a crushing accident reduced the Tories' strength to five seats.) Phelps says that the NDP government is attempting to deceive the electorate by offering Conservative policies. "They are pretending to be Conservatives," and Phelps, "but he knows what their hidden agenda is." But Penikese told *Maclean's*, "Bill Wilford is upset because I'm not behaving like some Marxist-Leninist clown, like he isn't listening to listening cer-



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Ending the Nazi hunt

The coded telegram was dispatched by Britain's Commonwealth Relations Office to Canada and six other Commonwealth governments on July 12, 1948, just three years after the Second World War had ended. It dealt with a delicate subject: the British government had decided to quietly suspend further prosecution in the United Kingdom of suspected Nazi war criminals and Westmanster wanted the Commonwealth allies to adopt the same policy. When that

decided document was made public last week in Hull, Que., by a federal solicitor of security into war criminals in Canada, it provided one of the most significant reasons why the trail of suspected Nazis living in Canada was allowed to grow cold in the postwar years. The telegram, declared Irwin Collet, a Montreal lawyer representing the Canadian Jewish Congress, was a "severe loss in distinction of the public policy prevailing at the time in the United Kingdom."

Indeed, the telegram—titled by The Fortifier, a lawyer for the commission headed by Justice Louis Deschamps, former chief justice of the Quebec Superior Court—raised some of the same issues that the commission has faced since it was set up last February to determine how many suspected war criminals may be living in Canada. The British telegram said that it was more important in the war's aftermath to improve relations with Germany in order to counter the Soviet Union than to pursue war criminals. The "persecution of war criminals," the British telegram noted, "is more a matter of discouraging future generations than of making out retribution to every guilty individual."

The Commonwealth Relations Office issued a second document a month later. It noted that Commonwealth governments, including Canada, "have replied agreeing, or at any rate not disagreeing, with our proposals." The documents emphasized in part the incomplete Canadian records kept on suspected war criminals

after 1947, when Canada turned over responsibility for prosecutions to Britain. According to testimony given last week by Robert Elgass, chief of the senior section of Public Archives Canada, the public archives records show that Ottawa in 1947 handed over to the British government a list of 154 people suspected of having committed war crimes against Canadians. But distribution of that list and several other lists of suspected war criminals was so strictly controlled that it was



Deschamps: a cold war trail

apparently not provided to the immigration department, which could have used it to screen suspected Nazis from the flood of European settlers in Canada after the war.

The information emerged as Deschamps considered whether or not to travel to the Soviet Union and Poland in search of evidence about war criminals in Canada. Spokesmen for the Winnipeg-based Canadian Canadian Committee, representing about 500,000 Canadians of Ukrainian descent, said an Ottawa news conference that Commonwealth officials would attempt to fabricate evidence implicating Eastern European immigrants in war crimes in order to dismiss the credibility of anti-Soviet dis-

sidents in Canada. But lawyers representing Canada's Jewish community argued before the commission that it should do everything in its power to identify war criminals still alive in Canada, including taking testimony in the Soviet Union.

So far, the commission has sifted through allegations that as many as 600 war criminals may be living in Canada. Deschamps, who has until Dec. 31 to recommend ways of dealing with suspected war criminals, was expected to decide this week whether or not he will travel to the Communist bloc as well as to the United States, Britain and the Netherlands to hear evidence of "serious allegations" against eight Canadian citizens who are prime suspects

After a busy and confusing week,

an hour that makes sense...

—KEN MACGREGOR in Ottawa

A new round in the abortion battle

On June 5, 1970, police arrested a Montreal doctor for performing abortions at a private clinic in the city's east end. Since then, Dr. Henry Morgentaler has been acquitted in abortion-related charges by Canadian juries in four separate trials—three of them in Quebec and one in Ontario. In Quebec, Morgentaler served 30 months of a 36-month prison sentence in the mid-1970s after the province's Court of Appeal overturned the jury's decision. But when juries continued to acquit Morgentaler, the Quebec government ordered a halt to prosecutions. Last week, Morgentaler was locked in an almost identical battle before Ontario's courts. In a stony-walled decision, the Ontario Court of Appeal set aside a jury's acquittal of Morgentaler last November on charges of performing abortions at his Toronto clinic and ordered the 60-year-old physician to stand trial again.

Morgentaler defiantly announced that he will appeal the ruling—which is called an "abuse of power" and an attack on the jury system—before the Supreme Court of Canada. That court, if it agrees to hear the case, could then be in a position to decide on the legal issue that has repeatedly been raised by Morgentaler's crusade for abortion-on-demand, whether juries can disregard laws that they consider to be unjust.

At the same time, Morgentaler sent a telegram to Prime Minister Brian Mulroney appealing for reform of Canada's 1989 law that permits therapeutic abortions only when they are approved by special hospital committees. At a press conference that was interrupted by a spokesman for the anti-abortion demonstrators who have picketed Morgentaler's downtown Toronto clinic for the past six months, he called the existing law "unscientific, irrational and dangerous." Then he added, "How long can the government order a trial over and over again for the same offence?"

For his part, Ontario's attorney general, Ian Scott, indicated that no new charges would be brought against Morgentaler. As a result, his Toronto abor-

tion clinic can remain open for at least another year while the case is under appeal. Insisting that the Ontario government did not approve of so-called freestanding abortion clinics—those operating outside hospitals—Scott said that it would be unproductive to seek an injunction to close the clinic while the case is before the court.

In the 158-page judgment, handed

12 members of the jury in last year's trial by telling them that they had the right to disregard an unjust law. A jury, the Appeal Court ruled, "has no right to do what they like according to their view of the law or what they think the law should be." Afterward, Manitoba Attorney General Ronald Peltier announced that his government would wait for the outcome of the Supreme Court appeal before proceeding with numerous abortion-related charges that were laid in the province this year and in 1988 when Morgentaler opened a clinic in Winnipeg.

Morgentaler had 15 days to put forward a request for the Supreme Court of Canada to hear a further appeal on the case. The issue of the appeal, he said, will be that the abortion law violates the Charter of Rights and Freedoms. The Supreme Court has considered a case involving Morgentaler once before. In 1975 the court upheld a decision by the Quebec Court of Appeal that overturned Morgentaler's first acquittal by a Montreal jury two years earlier. The Supreme Court ruled that the defence of necessity, put forward at the Montreal jury trial, was not supported by evidence. Later that year Parliament passed a bill making it illegal for an appeal court to substitute a policy verdict for a jury acquittal. Finally, in 1976 the Quebec government announced that it would not bring further charges against Morgentaler.

Since then, Morgentaler has operated his Montreal clinic with impunity, and he describes Quebec as "an oasis of sanity." Still, even as he continued his struggle in Ontario, waves were under way in Montreal to bring new charges against him. Former mayor Rejele Chartrand, who gained notoriety as a proponent of Quebec separatism in the 1980s, laid a private complaint against Morgentaler's abortion clinic with a justice of the peace, who last week was considering whether there were grounds for laying charges.

—BENNETT ANDERSON in Toronto with IAN SCOTT in Montreal



Morgentaler at his Toronto clinic, overturning a jury verdict

down after five months of deliberation, the five-man Appeal Court panel ruled that Morgentaler and the two doctors who carried out abortions at the Toronto clinic—Dr. Leslie Stirling and Dr. Robert Scott—should stand trial again. The Appeal Court officiated the judge at last year's jury trial for wrongly allowing the jury to consider a defence of necessity—the argument that a crime is permissible if it is committed involuntarily to prevent a greater tragedy. In the view of the Appeal Court, the delays experienced by Ontario women in obtaining legal therapeutic abortions did not constitute an emergency.

The Appeal Court judges also sharply criticized Morgentaler's counsel, Morris Manning. They said that he misled the

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SPORTS

The Blue Jays go from worst to first

And so baseball, at its most visible time, brings us to the visible nation. Canada, the country no longer is longer just that its cities are stamped with the range of England's Queen Elizabeth—or in some cases—a moon. The Toronto Blue Jays are perfect for the role of the first Canadian team to play in a World Series. Apparently having put beneath the mythical maple leaf and silver—Long Island, N.Y.-based newspaper *Norwalk*, Sept. 28, 1985.

front stadium in Toronto, workers and metal scaffolding and sheets of plywood to erect a temporary press box in the left-field corner of the ball park. Main-shift TV and radio booths also appeared on the roof of the stadium bases, and team executive vice-president Patrick Gillick said he was confident the stadium could accommodate the 1,000 reporters, broadcasters and technicians who would descend on Toronto if the Jays reach the World Series.

Yet in the final push for first place the

Above all, the Royals have George Brett. At week's end, the third baseman propelled his team to the top of the American League West division with four home runs—two of them inside the park—and nine runs batted in.

Without (Shane) Johnson, a baseball player with 25 years' experience as a pitcher, minor-league manager and scout, the Royals won the event for Kansas City's strong season to three left-handed Royals pitchers—Bud Black, Charlie Leibrandt and Danny Jackson.

For anxious supporters across Canada the Toronto Blue Jays were anything but boring last week. They lost three straight games to the Detroit Tigers. Then, back in Toronto for a final three-game home stand with the second-place New York Yankees—and needing only one win to clinch first place in the American League East—they gave up a one-run lead in the ninth inning of Friday night's game and lost 4-3 when Lloyd Moseby dropped a routine fly ball. But on Saturday, Moseby and the Jays bounced back; the centre fielder's home run proved to be the game winner, and eight other Jays got hits—a total of 13—in a 5-1 victory that sent the Blue Jays to the league championship this week, against the Kansas City Royals. Road infielder Garth Iorg: "From worst to best, it's been great."



Alexander is triumphant among pitching, three home runs and dreams of the playoffs

Sanitized Southern the Toronto's Harvey Trippitt, the 68-year-old president of the 3,000-member Blue Jays Fan Club, were grateful to be able to watch the classic series in sold-out Exhibition Stadium. Said Trippitt: "When the boys are all of them, I can't listen to the radio. It kills me. I see as someone you would not believe it." Exhibition was the watershed in the Jays' clubhouse, where the champagne finally came out of the ice after being transferred aboard airplanes on two road trips. Credit his starting pitchers, including game winner Doyle Alexander, Jays manager Bobby Cox said, "Our ball club has always bounced back."

While the drive to bring Toronto its first major-league baseball pennant accelerated on the field, the Blue Jays front office calmly continued preparing for the opening game of the American League playoffs this week. At the late-

organization did much more than improve press facilities and steam-cleaned all 42,327 seats in the modified ball stadium. Since mid-September eight advance scouts have been studying strengths and weaknesses of potential rivals in postseason play. Gillick said that his preference would have been for the Blue Jays to meet the Angels.

For one thing, seven of the nine players in the Angels' starting lineup are over 30—a potential handicap on Exhibition Stadium's slick artificial turf. Before the division title was decided, Gillick said that California would have had more trouble playing solid defense. And he noted that Kansas City "has stronger starting pitching." In addition, the Jays won seven of 13 games against the Angels this year, while losing seven of their 12 with the Royals.

And for the Blue Jays, that spells trouble. By week's end, Toronto had an impressive 75 wins and just 36 losses all season against right-handed pitchers but had never scored only 24 runs against 20 defeats when facing south-paw pitchers.

Despite the help of the Royals, Johnson said that the Jays could master enough good hitting, pitching and defensive play to earn a chance to face the National League's champion in the season's World Series, the winner of the St. Louis Cardinals-Los Angeles Dodgers series. And only then, presumably, with regular CBS TV coverage of such Blue Jays stars as outfielders Jesse Barfield, George Bell and Lloyd Moseby, will the team—and the country it represents—lose some of its anonymity with its northern neighbor.

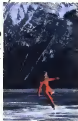
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THE SPIES AND THEIR MASTERS



The high-level defections were a summer-long phenomenon, and for a change the most important traffic seemed to be west-bound. One after another, in Athens, Bonn and London, senior Soviet intelligence officers sought asylum in the capitalist world, apparently triggering an exodus of compromised West Germans as well as a series of diplomatic explosions by Great Britain and the Soviet Union. Initially, the movements appeared to be just another flare-up in the traditional East-West espionage industry, a competitive normally involving far more cloak than dagger. But last week the fallout from the defections continued to settle on both sides of the Atlantic. For one thing, a parliamentary inquiry was launched in Bonn. For another, a so-called "mole hunt" was under way in Washington. As well, a former employee of the U.S. Central Intelligence Agency was on the run. As a result, what was expected to be the Autumn of the Spy—President Ronald Reagan meeting Soviet leader Mikhail Gorbachev in Geneva on Nov. 19 and 20—was rapidly becoming the Season of the Spy.

Defectors. The Soviet defections—if sincere—were well placed to deliver priceless information to Western intelligence agencies. At the same time, they raised the nightmare specter of exposed agents and revealed methods for the Soviet Committee for State Security (KGB). But it remained uncertain whether the defections represented a major gaffe for the West or were part of a larger and more deliberate KGB "disinformation" program. In the shadowy world of the spygame, absolute certainties are as rare as a midwinter heat wave in Moscow.

The intelligence war involves high stakes, huge costs and hard men. For both East and West the odds always justify the means. The spygame is as much a test of the ideological divide as committed to two main objectives. First,

to gather as much military, scientific, industrial and political information as possible, and second, to confuse the other side, often with false material. KGB chairman Viktor M. Chebrikov, aka Director William Casey, told defense general Sir Colin Fretwell, Phipps and Markov (British Wall, chief of East Germany's Central Intelligence Directorate (HVA), have to be at once ruthless, cunning, patient and, above all, shrewd.

Customs. For his part, Thomas D'Arcy Ryan, director of the new Canadian Security Intelligence Service (CSIS), acknowledges its assessing the Soviet defections. In a rare interview Ryan told Markov's (page 40) "From time to time you do get a spate of defections, either from East to West or West to East. I am not sure that one can draw any particular conclusions."

Perhaps not, but the Soviet defections



Spymaster Vokh ruthless and cunning

were all senior agents. The traitor, Sergei Bokhan, 50, deputy director of Soviet military intelligence in Athens, who defected in the Greek capital in May; Vitaly Yurchenko, 50, a high-ranking Moscow-based KGB officer who disappeared on July 28 during a "diplomatic" visit to



Breakthrough Guts in East Berlin: high stakes, huge costs and hard men

Bonn, reappearing in the United States; and Oleg Gordienko, 45, the senior KGB officer in London, who defected to Britain early in September after a 19-year career as a double agent. Last week CIA intercepts were "declassified" Bokhan and Yurchenko under strict security at separate safe houses in the United States while agents from MI6, British counterintelligence, were questioning Gordienko.

Soviet Bokhan's interception swiftly caused a political storm in Greece, a member of the North Atlantic Treaty Organization. Earlier, concern about Greek security breaches had led U.S. authorities to delay delivery of 90 new F-16C electronically advanced jet fighters worth a total of \$1 billion. Last month Greek police charged a spy officer and two businessmen with passing defense secrets and electronic equipment to Soviet diplomats. And last week the conservative opposition charged that Soviet agents had infiltrated Prime Minister Andreas Papandreu's Socialist government, as well as the Greek armed forces and news media. Papandreu dismissed the charge as "a cheap political slander."

At the same time, spokesmen for British Prime Minister Margaret Thatcher's government—which swiftly expelled 31 Soviet envoys after Gordienko's defection—made it clear that it expected to resume normal relations with Moscow. Indeed, London and Moscow are expected to sign a new five-year trade agreement early next month.

Still, the knowledge that a KGB officer as highly placed as Gordienko had been a double agent and was passing detailed information to M-5 would likely have caused a major panic among Soviet



Secretary Litvinberg unaccounted for

agents and in Britain. And the apparent success of the Gordienko operation seemed bound to reassure, at least partially, British intelligence's so-called "comms" in the CIA, a group of eavesdroppers for most intelligence was not as good as that had led to Europe. Then, late last week the two formally charged the missing Howard with selling U.S. intelligence secrets to the Soviets. An affidavit filed in U.S. district court in Albuquerque, N.M., and by met KGB agents in Austria a year ago and that they paid him for information.

highly placed roles. E.A.S. (KGB) Philby, Guy Burgess and Donald Maclean.

Of the three Soviet defections, Yurchenko was the last to be publicly identified. But over since Washington acknowledged his presence on Sept. 26, the U.S. intelligence community has been working feverishly—in search of spies inside the CIA itself. In the past, U.S. officials have steadfastly maintained that the Soviets had never managed to penetrate the American intelligence establishment, at least partly because of the effectiveness of regular de-briefing tests on agency employees. But last week the Federal Bureau of Investigation launched an unprecedented manhunt for Edward L. Howard, 38, a CIA agent who last job in intelligence 18 months ago and who apparently was named by Yurchenko as a Soviet spy.

Missing. The FBI, which is responsible for internal American security, went so far as to release a picture of Howard and ask for the public's help, even though spokesmen for most intelligence agencies said that he had led to Europe. Then, late last week the two formally charged the missing Howard with selling U.S. intelligence secrets to the Soviets. An affidavit filed in U.S. district court in Albuquerque, N.M., and by met KGB agents in Austria a year ago and that they paid him for information.

David Danneberg, 60 (Miami), former, chairman of the Senate Intelligence

committee, said the Howard case "ought to be as serious as anything this country has seen in the past." By week's end, there were unconfirmed reports that information passed from Howard to the KGB had led to the execution of a Soviet official in Moscow—allegedly for providing information to U.S. agents. And the FBI was investigating another, unnamed ex-CIA employee, also suspected of working for the Soviets. The CIA fired Howard after he failed a lie-detector test and complained about an impending posting to Moscow. During the past 18 months he had worked as an economic analyst for the New Mexico state legislature. Described by neighbors in Santa Fe, N.M., as a "dedicated family man," Howard left his wife, Mary, a note saying he did not expect to see her or their two-year-old son, Leo, again. The note read in part, "Sell the house, job, etc. and move with one of our parents and be happy."

Surveillance. Howard's disappearance, as a moonless night in the desert, underscored the FBI, which was supposed to have him under surveillance. Two days before he vanished the FBI had contacted him with questions about links with the Soviets. Said a Reagan administration official: "The FBI screwed up by letting this guy slip."

Although Yurchenko's defection became public only recently, the Soviets have marked him already for more than two months—since he disappeared after selling members of the Soviet Embassy staff in Rome that he was going for a stroll through the Vatican. It is some



Defector Yurchenko: a growth industry

sources say, Yurchenko held the top rank of general and was in the very highest echelons of the vast Soviet security organization, his unexplained absence would have provided the intelligence equivalent of a nuclear red alert. Within a week of Yurchenko's disappearance

penance the first of a series of espionage-related movements began in West Germany, causing a political setback to the administration of Chancellor Helmut Kohl. Among the most prominent to see Bonn's Litzberg, 61, for 13 years personal secretary to Economics Minister Martin Bangemann. Another defector was Hans Joachim Tiedge, 48, a hard-drinking counter-intelligence officer responsible for tracking down the agents whom East Germany's "Witzke" Wolf sends, flooding into the federal republic every year.

Living remains officially unaccounted for, although she is widely believed to be in Moscow. As for Tiedge, he disappeared on Aug. 10, only to surface four days later in East Germany.

Avoiding to agents in Bonn, Tiedge had just enough knowledge to cause serious damage to the intelligence operations. Last week the West German parliament (Bundestag) formally established an inquiry—expected to last until 1998—in into what the opposition Social Democrats (SPD) described as the worst spy scandal in German history. The investigation is headed by Minister Friedrich Zimmermann, who was Tiedge's ultimate boss. Earlier, the SPD declared that Zimmermann had been involved in his duties and should resign.

Suspense: The Soviet defectors continued with a major public relations effort to present Gorbachev in the West as a modern, personable leader of the Communist world's superpower. And they threatened to heighten suspicion—not the tension—between Washington and Moscow in the crucial weeks leading up to the first summit conference since former president Jimmy Carter and Leonid Brezhnev met in Vienna in 1979. Not since that Moscow source in Britain said that Gorbachev himself had personally prodded the defectors by ordering Chubrikov to shake up the KGB establishment.

Like the CIA's Casey, 73, who is the first American spy master to be a full member of a presidential cabinet, Chubrikov, 65, would be the most senior Soviet Union, American and Soviet spy masters occupy unique positions, with the vast forces under their command and their access to unlimited and unaccountable funds. Indeed, former Soviet leader Yuri Andropov once said the chief mission of the KGB is to win super-



Convicted spy Arthur Walker; secret drop site in Maryland; a growth industry

power. And in the United States former CIA director George Bush has been a hardliner from the White House for the five years he has served as Reagan's vice-president.

Lonely: Secret agents live, work and sometimes die in the shadows of a well-hidden underworld. In effect, they are lonely front-line soldiers in a war that is seldom seen. Despite a 30-year steady trade, information their most valued currency, exposure their constant enemies. Modern spies risk diagnosis, imprisonment and—in rare circumstances—execution in order to pursue their sacred trust. Their triumphs necessarily remain secret, while their failures can lead to glaring publicity, international outrage and national retaliation. Still, the number of spies continues to expand. Lured by steady pay, governments laced in grim military and economic competition, espionage has become a growth industry.

Indeed, money has become increasingly important in recruiting new talent. Until recently, ideology and black-mail were the most common motivations for treason in the West. But materialism is overtaking them. According to Stanislav Levchenko, a former KGB officer based in Japan who defected to the West in 1976, there is a line in a recruitment manual that says, "All Americans can be bought." And in

Germany, both of whom are currently serving U.S. prison sentences. Prosecutors claim that Miller, who was fired by the FBI shortly before his arrest last October, received \$60,000 for the documents. As well, the prosecution alleges, Miller fell into a so-called "honeymoon trap"—the espionage trap for social scientists, a common recruitment device often used as a prelude to blackmail—and was Svetlana's lover during a four-month period.

Beyond the inducements of sex, money and ideology, the spymasters use psychological analysis in enlisting agents to spy on their own countries. The desire for revenge against wrongs, real or imagined, is one frequently exploited character trait. The threat for intrigue and romance in another. Said Dr. Steven R. Frenkel, a Bethesda, Md., psychiatrist who acts as a state department consultant on security clearance: "Some spies have a Communist attitude."

Risks: Because the spymasters' appetite for information is insatiable, their demands are insatiable. For low-level agents, the risks rapidly escalate. According to Dr. Louis West, a University of California psychiatrist who has written several studies on intelligence-related matters for the U.S. government, professional restrictions "have a carrot-and-stick approach. The carrot is more money for doing more work, and the

stick is to help gather material. All three are awaiting trial on espionage charges, while Walker's brother Arthur, arrested in August, will be sentenced in Norfolk, Va., next week.

Money was also cited as the bane of former FBI agent Richard Miller, 48, of Los Angeles, accused of selling secret counterintelligence documents to convicted Soviet spy Svetlana Goryunova and her husband, Nikolai Goryunov.



Alleged ringmaster John Walker; home of runaway spy suspect Howard in New Mexico. U.S. Authorities on its sought

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stick is the threat of exposure for work already done. The bottom line is that you work for them forever."

Spies: Unlike most Americans, professional spies often get a second chance after being caught. And Vladimir Goryunov, 61, even managed to get a third. Goryunov was one of a group of 48 Soviets expelled for spying on Britain in 1960, where he was second economic secretary at the Soviet Embassy. Subsequently, he was posted to Ottawa and later became Soviet second-general in Montreal. Then, in 1963, Canada expelled him, along with 17 other Soviets whom Ottawa named as spies. Undeterred, Goryunov persevered in his "diplomatic" career and last month he became the first Soviet ambassador in the tiny nation of Lesotho, a country completely surrounded by troubled South Africa. His embassy has a staff of 27—despite the fact that Lesotho and Moscow have almost no dealings.

But for most, an espionage career affords little glamour and even less of the high living in common among the spies of fiction. Still, the image persists, assisted by the James Bond movie genre and countless paperback thrillers. And in a curious case of life imitating art, espionage professionals have adopted some of the terms invented by bestselling novelists and made popular by the news media. The modern nomencla-

ture of spying—mole, sleeper, honey-trap, cut-outs, safe-house—is in a vivid contrast to the grim realities of the trade. Much of it was coined by British author John le Carré, whose novels include *Smiley's People* and *The Spy Who Came In From the Cold* and who chose to use his art to satirize life. Le Carré used British spy-master Sir Maurice Utheoff, who died in 1978, as a model for George Smiley, and he based the sinister Karla, Smiley's fictional Soviet opponent, on East Germany's Wolf.

Networks: As for spies "coming in from the cold," among the first to do so was Igor Gouzenko, a young cipher clerk at the Soviet Embassy in Ottawa. Gouzenko defected, walking away from his desk on Sept. 5, 1945, with hundreds of documents detailing a vast, previously unsuspected network of Soviet agents operating in North America. For his remarkable assistance Gouzenko received a pension, a new identity and protection by the Royal Canadian Mounted Police until his death in 1982 in the small Ontario community where he made his home. Gouzenko blazed a trail—and helped establish the ground rules for a clandestine East-West struggle that has never stopped. Four decades after Gouzenko, the three senior Soviet intelligence officers who are now being debriefed by U.S. and British agencies probably expect treatment similar to the kind that Gouzenko received from the spymasters of the West. But their pensions will be bigger—if they are telling the truth.

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—BIBBIE MILLER in Toronto with WILLIAM LOWMEYER in Washington, JAMES BROWN in Toronto and JULIAN MCCARTNEY in Ottawa

A counterspy's new ways

Unlike the concrete, glowing George Stacey in John le Carré's spy novels or the dapper, impeccably dressed Fleming in Ian Fleming's James Bond books, Thomas D'Arcy Fenn seems to be a perfectly ordinary man. Fenn is the director of the Canadian Security Intelligence Service, the new counterintelligence agency that was created 15 months ago—amid political demands for civilian control—out of the Royal Canadian Mounted Police. The 46-year-old public servant with the neatly-grey hair and the quiet speaking voice lives with his wife Margaret, their four children and two enormous German shepherd dogs in a rambling, three-garage home at the end of a cul-de-sac in suburban Ottawa. Fenn's mild demeanor belies the fact that he orchestrates a secret repression campaign mostly of former Mounties who are top intelligence, open seat, enter home and often surreptitiously eat someone like such as medical records—all in the name of searching out "threats to the security of Canada."

Fenn's mandate is to investigate and retaliate espionage, sabotage terrorism, political violence and other clandestine activities that menace the state. Fenn, a former assistant secretary to cabinet for intelligence and security in the Prime Minister's Office, works with junior bits of information—the identities of open seat, enter home and often surreptitiously eat someone like such as medical records—all in the name of searching out "threats to the security of Canada."

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Maclean's: Does the CSIS have any form of foreign intelligence service of its own or is it entirely dependent on intelligence from other countries?

Fenn: We have a foreign liaison component and we have our own people abroad for fulfilling that function in a number of other countries. We will then security

liaison officers, and that's what they are doing: liaising with security and intelligence services within those countries—performing, for example, visa-issuing responsibilities on behalf of Canada's department of immigration—and also liaising in a security context, thereby enhancing our ability to have information from other countries shared with us.

Maclean's: With the rash of defections it is as though someone, somewhere has pushed a control button and you've got people running for their lives. Do you know of any mercenaries?

Fenn: I am not sure that one can necessarily draw any particular conclusions from that situation. And I think that to develop a thesis about some relation-

ships is probably not terribly productive.

Maclean's: The two defections that are particularly interesting to us are those of Sergey Bobkov, a Soviet military intelligence officer who defected in Africa last May, and Vitaly Yermolenko, a top officer who crossed over in Rome in July. Is one of them of particular interest to Canada?

Fenn: I think any defection is of interest to Canada provided it is a defection that relates to our ability or our ability to understand what intelligence operations in the Soviet Union or other countries are doing. And, of course, defections the other way are of great interest to us because of the damage they tend to do the Western intelligence efforts. But I think the best that one can do is—apart from a general observation that a defector may be able to provide

information that we need to do our job, I think it is fair to say that one of the techniques an effective intelligence service will use is to plant disinformation in country X and country Y, and I think we can assume the Soviets and others have made that something of a specialty for not only Canada but all Western nations. It is a very important area to be guarded against and constant efforts are made throughout the whole of the Western intelligence community to identify and pursue possible disinformation as to numbers and kinds in the Canadian context specifically. Obviously I wouldn't comment on it.

Maclean's: How do you explain what you see as a flow to a living is new people whom you meet?

Fenn: I tell them I'm the director of the Canadian Security Intelligence Service. I've based myself as the public relations person about whether the public will

the growing problem of terrorism? **Fenn:** Let's not use the word "terror." But we are a trusting and honest people, and I think we tend to project our own characteristics on others and assume that if we wouldn't do something improper to someone else, they wouldn't do it to us. We've got our laws for lawlessness. I don't think any country has a right to feel it is immune.

Maclean's: But how do you reconcile your own personal moral standards against the world of dirty tricks and lawlessness?

Fenn: Unpleasant and unpleasant—I would call it aggressive. Dirty tricks—I tend to reject that as something that would apply to the kind of things we do. Defensive vs. offensive—the definition is very simple: offensive means you are operating a service that is operating within foreign nations actively collecting or getting intelligence or taking steps to influence or destabilize a government or a particular element of a society of that country. Defensive is attempting to ensure that the kinds of things talked about in our statutes—such as spying within Canada—is kept to a minimum but that there is advance information on steps to be taken to prevent terrorist attacks. But God knows no nation has been entirely successful in doing that. I think that one of the ways that you can assist in making sure that the processes under which we work and the things that we do are kept within the bounds of propriety is to reach a little bit far people who have high moral standards and who are not going to be swayed simply by convenience and improperly in the lives of Canadians. It almost sounds to me—when I hear myself saying that—almost trite, and it isn't, it's very much part and parcel of the whole idea and one of the principles that we intend to build God knows it has its flaws.

Maclean's: Is there an underlying acceptance of the necessity of doing a nasty job and sleep at night?

Fenn: There is no difficulty whatsoever in relating to the fact that has to be done in a way that it ought to be carried out—absolutely no difficulty whatsoever. Any organization has growing pains problems—we certainly do and we're going to continue to have them for a number of years. Turning the apparatus into a serious, serious organization will take a generation—at least a generation. It's incremental. It's day by day. It's subtly turning knobs or pulling levers to make sure that it marches along in a particular path.



Terrorist attack on Turkish Embassy in Ottawa in March: no immunity in Canada



Fenn (left) and Beatty negotiating the state against spies and terrorists

concerning the service for which he or she has worked—that the other area of interest is whether a defector has any particular information relating to this country. I think you can assume that if there is information either generally or specifically relating to Canada, we would want that information.

Maclean's: How much control does Maclean have over world terrorism?

Fenn: I don't think anyone can answer that. I think the pay is still out.

Maclean's: What about the extent of Soviet operations in Canada?

Fenn: I would say there is a presence that is constant and that we constantly have to be working to identify and develop intelligence about it.

Maclean's: Is there particular concern over the nature and number of Soviet agents in Canada?

Fenn: That's a very, very difficult ques-

tionally is a golf ball—but in truth it is Maclean's. How do you reconcile the job of your own personality?

Fenn: I see nothing in what I do or in what we do as an organization as being contrary to any basic tenets that I may hold. I think the freedom that we have in Canada are just terribly, terribly worthy of being protected. And I don't want to put that in the context of soldiers marching off to war—in the sense that one has a duty to defend one's country and so on—but I do want to put it in the context of the freedom that we have and enjoy. It is a question that we are so wonderfully, happily free in this country, we are shielded in one very rare when something such as a terrorist act occurs within our borders. I don't think it's selfish, but I think it is small ignorance of the reality that is out there. Maclean's. Are Canadians more about



British communications center in Chetumal; spy camera (below) the shadowy universe of secret agents

Tools of the secrets trade



The umbrella gun fires a poison pellet that kills its victim within hours. The microphone implanted surgically in the chest monitors an

agent's every conversation. The camera as small as a cigarette lighter snaps pictures of unsuspecting subjects. And the photo-recognition satellite, an eye-in-the-sky, can send newspaper headlines or the ground from 32,000 miles above the Earth. No invention can match the value of a single well-placed human spy, but the recent wave of defections and exposures demonstrates that the human factor is inherently unreliable. The result is that the hardware of the espionage trade has become increasingly important. Says Sena Power, 44, a former employee of Washington's top-secret National Security Agency: "The communications breakthroughs are probably the most significant. The U.S. has the largest computer bank in the world, and satellites that can pick up the reflections from a soldier's boot sole. These are the things that matter."

During the Vietnam War, U.S. offi-

cials have testified in congressional hearings, troop commanders in Vietnam often sent top-secret messages to their forward forces in a code they believed to be unbreakable. Unknown to the North Vietnamese, U.S. spy satellites picked up the messages as they left Hanoi, beamed them instantly to the headquarters of the National Security Agency at Fort Meade, Md., ran them through computers that broke the code, translated the messages from Vietnamese into English and passed the information back via satellite to U.S. troops in the bush. And all that happened before the Vietnamese forces to whom the messages were directed had even had time to read them.

Hardware stories are legion and told by former agents with nostalgic glaze. In 1969 a diplomat at the U.S. Embassy in Bucharest sent his shoes to be repaired by a local shoemaker. The day after the shoes came back, a security officer at the embassy was in-

terviewing the shoemaker when, suddenly, in the middle of a classical music concert, he could faintly hear the diplomat's voice in another room discussing classified affairs. According to testimony in Congress, the concert was being broadcast on a radio hand that fringed on that being used by a fly but powerful transmitter built into the heel of the shoe. As improbable as it sounds, a subsequent investigation showed that the transmitter had been implanted while the shoes were being repaired.

Markings. In 1980 the Soviets said that they had discovered a plastic tree stump in a forest near a heavily guarded military installation. According to Mos-



cow, the fake stump was crisscrossed with electronic listening devices that picked up radio and telephone messages coming in and out of the military camp. Security officials discovered the stump—presumably planted by U.S. intelligence—because it was designed to

look like a tree. The forest where it had been hidden certainly only gave trees. "To a Soviet security officer brought up in that part of Russia, an oak tree stump is a pine forest was an obvious and foreign to the American flag," says an American counterintelligence source.

One of the most infamous pieces of spy hardware discovered in recent years was a customized umbrella that fires poison pellets. According to British intelligence, the device was fashioned in the laboratories of the Bulgarian state security service. The handle concealed a trigger, which, when squeezed, released a spring-loaded piston that drove a cylindrical cartridge against a firing pin. The gas then exploded a poison pellet out of a barrel made from the hollow tip of the umbrella.

Troika. Two Bulgarian agents became targets of the umbrella gun. Vladimir Kostov, now 58, was a radio and television star in Bulgaria until he defected to Paris in 1977. He began working for Radio Free Europe, broadcasting attacks on the Bulgarian leadership. In August, 1978, while leaving the Paris Metro with his wife, he felt a sharp pain in his back. He turned around and saw a man carrying away. For three days Kostov suffered a high fever but then recovered.

Ten days later another Bulgarian defector, Georgi Markov, one of the country's most prolific writers, was climbing the steps near Waterloo Bridge in London when he felt a jab in his thigh. A man behind him winked and dropped off. Markov died an agonizing death four days later. In his thigh doctors found a platinum pellet no bigger than a pinhead. Four weeks later the pellet contained more, a highly toxic poison. After reading about Markov's death, Kostov had his back X-rayed, an identical pellet was discovered under his skin. For unspecified reasons, only a small quantity of virus had escaped from the pellet. If it had entered his blood stream, doctors said, it would certainly have killed him.

Most of the new espionage gadgetry is designed to collect information. But for what Moscow's KGB calls "wet affairs"—assassinations—poison is the agent of

choice because it can be "delivered" instantly, and the delayed effect gives the assassin time to escape. In Washington in recent years congressional committees have heard details about U.S. CIA experiments involving poisoned cigars—meant for Cuban leader Fidel Castro—and cigars with attached poisoned pins that were designed to kill anyone who shook hands with the winner. Congress has also heard evidence of CIA experiments with mind-altering drugs that could make people in sensitive posts to betray their secrets—without any knowledge of their own treachery.

Developments in electronic eavesdropping have led to a revolution in manufac-

ture gear as in the case of Finland. Finnish officials claimed that he was accurate and said the sound was the result of an operation. Upon closer examination, security officials discovered that an electronic bug had been implanted in Finland's chest which allowed KGB agents stationed nearby to hear all conversations taking place around him.

In recent years the market for espionage hardware has expanded beyond the shadowy universe of secret agents. One Massachusetts-based company, CIA Communications Control Inc., has actually set up a chain of two "Counter Spy" shops. With branches in Washington, London, Paris and Beverly Hills and annual sales of \$20 million, the stores sell all existing assortment of spy gadgets to lawyers and detectives, executives and embassies. The inventory includes micro-wave telephone scramblers, cameras that take photographs around corners, fountain pen radio transmitters and three models of cigar-box tape recorders.

Shades. But Counter Spy's most extraordinary item is a \$500,000 sports car called the Dalton X. The twin-turbo-charged, 600-horsepower car has an engine more powerful than a Ferrari's, doors that swing up and out like a Lamborghini's and a body like the British Lotus Europe's. The vehicle accelerates from zero to 90 mph in 3.5 seconds and is so aerodynamic as to be impregnable against acid, grenades, M-16 machine-gun fire and 1.6-caliber shells. It also boasts tracking devices and bomb detectors that automatically warn passengers and their luggage and tires that do not deflate under fire. These



FBI director William Webster, always an unreliable human factor

and devices that all sophisticated intelligence services have enjoyed. There are mini-cameras that can be hidden inside a pipe and used to snap pictures without the smoker puffing. And there are eavesdropping bugs disguised as shirt buttons that can pick up conversations from a short distance. In February 1982, the manager of the Soviet airline Aeroflot in Jakarta, Alexander Pirovsky, was expelled for running a spy ring when Indonesian authorities picked him up, they became suspicious about a

box X. Its doors open on request. Unaffiliated agents receive a \$500-a-week shock. There are hidden jets in the body that spray out tear gas, and jet oils can be dropped to deter chasers. "We don't really expect to sell a lot of these," says company spokesman Alvin Priebing. "It's not what we want to do. It's a security appeal item." To date, there has been only one reported—but unconfirmed—buyer, the Saudi Royal Family.

—WILLIAM LUTHER in Washington

Sounding a Soviet challenge on arms

The banquet was lavish and the dinner guests drew from the cream of French society. In Paris's elegant 18th-century Elysée Palace, home of French President François Mitterrand, Soviet Communist Party General Secretary Mikhail Gorbachev rose to propose a toast. But even as he raised his glass, it was clear that the youthful Soviet leader intended to make more than a routine gesture. Addressing the gathering of political notables, Gorbachev, 54, said that Moscow would do "all in its power to prevent the arms race from spreading into outer space." He added, "It is commendable that the Soviet Union and France have taken the position that space should be an arena of peaceful co-operation and not one of military confrontation." With that, the most intensely scrutinized state visit by a Soviet leader in years began.

The French press referred to it as "Operation Seduction." In fact, Gorbachev's courtesy of Western Europe began even before he and his viceroyal wife, Raisa, arrived Wednesday on their sleek Illyushin 62 jet at Paris's Orly Airport for the four-day stop—his first to the West since succeeding the late

also consult with other NATO allies in Belgium and the Netherlands, Gorbachev clearly commanded the spotlight—and the agenda for public discussion—last week. He was well prepared for the task. He was by turns reserved,

naïve, Gorbachev added, "We are not pursuing a Mitterrand-style policy of balance of forces, of setting one state against another. We are realistic."

At a reception given by the speaker of the French National Assembly, Gorbachev



Gorbachev and wife, Raisa, in Paris. Cardin (below): a complete ban on space weaponry

Kostantin Chernenko as Soviet leader last March in an interview with French television correspondents in Moscow—telecast both in France and in the Soviet Union—Gorbachev strove to negate the Kremlin's interests with those of its neighbors to the west. "Europe is a powerhouse," he said. "We live together in the same house, both you and we. We should work together even if some enter by one door and others by another door."

For his part, President Ronald Reagan invited Western leaders, including Prime Minister Brian Mulroney, to a seven-nation meeting in New York on Oct. 31 and 34 for consultations before his scheduled November summit with Gorbachev in Geneva. The symbolism of such men's overture was clear in Europe, where support—for what Moscow's newly disclosed arms control proposal and Washington's Strategic Defense Initiative (SDI)—is essential to both sides.

Despite the Reagan initiative and an announcement that Washington would

announce one—when the subject turned to Moscow's human rights record—only by implication. And while Gorbachev was making points with lawyer-like argument—he holds a degree in law—his wife charmed her hosts as she toured Paris and attended private dinners at hotels and country houses from Pierre Cardin.

It was, free at last to finish, a public relations victory for one thing. Gorbachev proposed a chemical-weapon-free zone in Central Europe that would be open to verification. For another, he declared that European security depends on "peaceful coexistence, détente, disarmament, increased confidence and international co-operation." Projecting an image of order and prag-

matism, Gorbachev added, "We are not pursuing a Mitterrand-style policy of balance of forces, of setting one state against another. We are realistic." At a reception given by the speaker of the French National Assembly, Gorbachev confirmed that Soviet arms negotiations in Geneva had proposed cutting the level of offensive nuclear arms by 50 percent, in return for "a complete ban" by both sides on space weapons. And for the first time, he offered to seek a separate accord on the reduction of medium-range missiles in Europe—"without the direct link with the problem of space and strategic armaments." The proposal constituted a major departure from the previous Soviet position that the three subjects under discussion in Geneva be treated as a single package.

But it was the developing American space defense program, which Moscow considers to be a major threat, that provided the real focus for Gorbachev's interest. In-

deed, France itself had been chosen for the visit because Paris has been the only Western ally to oppose SDI. Although Gorbachev lifted last week to win Mitterrand's signature on a non-nuclear endorsement of the militarization of space, the French president did say that substantial arms reductions would not be achieved unless they were "linked to the impossibility of transferring the arms race from Earth to space."

For Gorbachev, that statement was itself all that he expected. The Soviet

concern Paris and London maintain that their armaments are designed to deter attack on their own country, not on their European allies.

Last week, with the usual splash that has already become his trademark, Gorbachev in one swift stroke simply abandoned two decades of Soviet policy. He offered to begin separate talks with France and Britain on medium-range nuclear missiles in Europe. Neither country, he said, would need to release its forces. Gorbachev's surprise as-

ter the superpowers had agreed on radical cuts in their own armaments.

Gorbachev also made an overture to the Netherlands, where the government will decide next month whether to deploy 48 American cruise missiles on its soil. In Paris, Gorbachev announced that Moscow was reducing the number of theater-range weapons deployed in Europe's capitals—the triple-warheaded SS-20. The Kremlin, he said, had ordered the number reduced to 940, a number that astonished Soviet estimates of the combined number of French and

British missiles. But Dutch Prime Minister Rudolph Lubbers said Friday that his nation will proceed with deployment of the global total of 500-plus covered the current level of 578. The current NATO estimate is 40. "The Soviet pledge is no reason to think that the Dutch cruise deployment plans are now uncertain," Lubbers added.

But Gorbachev did not escape concerted French attacks on other areas of Soviet policy. Paris Mayor Jacques Chirac delivered a sharp criticism of Moscow's human rights record, saying "I think with conviction of all those deprived of freedom because of their convictions. I am also thinking of those Jews who are not allowed to leave the country." Even high-ranking government officials, who had banned street demonstrations during Gorbachev's stay, raised concerns about Soviet compliance with the 1975 Helsinki Accords, in which Moscow pledged to allow free emigration. Prime Minister Laurent Fabius greeted Gorbachev with a list of Soviet dissidents and other political prisoners whom France wants freed. Gorbachev pointedly avoided a direct response but he told French journalists on the eve of his visit, "We will continue our work with Soviet officials, and you take care of French affairs."

There were hard questions, too, about exactly what the Soviet offer amounted to. In Geneva, where chief Soviet negotiator Viktor Karpov spent two days reading detailed position papers to the American delegation, U.S. officials welcomed the proposal, but after careful scrutiny labelled it "one-sided." One obvious problem: the Soviet definition of what constitutes a strategic weapon. America in Moscow, it is feared, may insist on a Soviet control that can reach the other's territory. By that logic, Soviet SS-20s facing Europe would not qualify for the proposed 50-percent cut, since they cannot reach U.S. targets, but the American cruise



Reagan during stop in Cincinnati, Mitterrand (below): courting public opinion in Europe

strategy, analysts said, is directed not so much at Western governments as at Western opinion. If the media-conscious Soviet leader can persuade Europeans that space weapons represent the only impediment to serious arms control and a new era of détente, he may be able to strip away support for the American program.

The campaign against weapons in space was only part of the Soviet leader's carefully orchestrated peace offensive. Until last week the Kremlin had always insisted that the independent nuclear forces of Britain and France should be counted with American missiles in calculating any NATO aggressive posture. That insistence has traditionally raised negotiating obstacles, be-

cause Moscow has used Western demands to get it that "the Russians could find themselves playing chess separately on three chessboards (strategic, intermediate and space weapons). The question of which piece should be on which board would cause endless problems."

The initial Western reaction to the proposal was cool. During a joint 30-nation news conference with his host, Mitterrand declined to accept the offer, adding, "France does not refuse an exchange of views, but I do not think that it would be reasonable to think there would be negotiations." British Foreign Secretary Sir Geoffrey Howe was only slightly more encouraging, noting that bilateral talks could occur only af-





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and Pershing missiles would exist. The defense probes the Soviet estimate of U.S. strategic warhead totals to 3,300—compared with 2,504 for Moscow. To meet the 50-per-cent reduction figure, the Pentagon would have to dismantle 1,600 weapons, almost 400 more than the Red Army. As a result, the Soviets would be permitted to keep their arsenal of intercontinental ballistic missiles, which the Americans regard as particularly destabilizing.

Assessing the proposal, sources close to the American delegation in Geneva said that the Soviet journals seemed designed to take away the U.S. advantage in high-tech weaponry. One specific Soviet suggestion is to ban cruise missiles with ranges beyond 500 km, which would compel Washington to jettison its inventory of land-, sea- and air-launched weapons while permitting Moscow to preserve its shorter-range cruise arsenal.

The Soviet negotiators are also proposing a freeze on all new strategic systems not yet deployed. That would allow the Soviets to proceed with new land-based intercontinental missiles now in the early stages of deployment, the SS-20 and SS-25, while barring the United States from developing weapons now in early stages of development. Among them: the land-based MX and Midwayman missiles, the submarine-based Trident D-5 missile and the Stealth bomber. The standing U.S. offer would limit each side to 5,000 missile warheads, no more than half of which could be placed on land-based missiles. Such one U.S. official: "These principles would leave them with preventing nuclear superiority in Europe."

In Washington the Reagan administration continued to insist that Star Wars was non-negotiable. In fact, the Pentagon last week issued a new report claiming that Soviet research into lasers for missile defense is more advanced than comparable U.S. developments. Already, said Defense Secretary Casper Weinberger, "the Soviets have ground-based lasers that could interfere with our satellites." The goal of the Soviet campaign against Star Wars, added Assistant Secretary Richard Perle, is to have the field to themselves.

Still, most observers of the superpower propaganda offensive awarded the week to Gorbachev in dealing with foreign dignitaries and the world's press, he was so confident and so adept as Ronald Reagan himself. That remained to be determined, as the White House and the Kremlin prepared for Geneva, was whether the two great superpowers could bridge the ideological divide and talk plainly to each other.

—ANDY BEANE in Geneva with BRIGID ZAHNKE in Paris and LEE MATHIAS in Geneva

MIDDLE EAST

Terror at ground zero—in two states



Ruins of PLO headquarters in Tunis. F-15 (below) terrorized kidnappings, murders and a dramatic long-range attack

Nestled amid palm and cypress trees, the Tunisian suburb of Hussein-Shatt was a quiet enclave of pastel-painted apartment buildings and villas south of the capital on the Gulf of Tunis. Then, on Tuesday, Oct. 1 at 10:45 a.m., the sally approach of jetplanes shattered the suburban calm. Instinctively, many residents and later, they ascertained that even of tension with their North African neighbor, Libya, had erupted into war.

They were wrong. The planes, at least six American-made F-15s, belonged to the Israeli Air Force. Blue Stars of David were visible on the wings and fuselages as the jets swept in, low, from the sea. And the attack was aimed not at Tunis but at the suburban command headquarters of the Palestine Liberation Organization.

The raid lasted a mere six minutes. It was all the Israelis' command. With pinpoint precision, the F-15s—probably piloted by a second squadron of F-15s in the skies over Tunis—dropped bombs and fired missiles on the PLO compound in the suburb's beach area. The attack killed an estimated 75 people, leveled five buildings, including an L-shaped three-story command center and the personal headquarters of PLO chairman Yasser Ara-

fat, who had left his seaside villa in the complex only 15 minutes before the raid. Israeli Prime Minister Shimon Peres insisted later that Arafat had not been a target of the attack.

Among the dead, Ali Zuhair, chief of security for Force 17, the PLO's elite special operations unit. Force 17, a name derived from the internal telephone number at the group's former headquarters in the Lebanese capital of Beirut, who had left his seaside villa in the complex only 15 minutes before the raid.

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ret, had reportedly claimed responsibility for killing three Israeli civilians in the Cyprus port of Larnaca on Sept. 25—Yem Kipper, the Jewish day of atonement.

The Tunis raid, said Israeli Defense Minister Yitzhak Rabin, was a reprisal for those murders. Added Rabin, "Israel reserves the right to fight terror with

terror." The PLO has to understand that the long arm of the Israeli forces will seek it out wherever it is." Covering a swing distance of 3,000 miles and to-falling twice as much, the Israeli strike across the Mediterranean was the longest bombing mission ever undertaken by its air force.

Not the dramatic Tunis raid was not the only president-setting event in the volatile Middle East stage last week.

In war-torn Lebanon, Beirut Moslems strenuously indignant over Soviet diplomats in Beirut—the first time that Moscow had directly felt the sting of Lebanese terrorism. The Soviet objective was clear to force the Krenin to pressure its ally, Syria, into ending the Syrian-backed siege of Samir al-Habib in Tyrida. An 18-day battle for control of the northern port city had killed more than 400 civilians and forced more than 100,000 residents—more than two-thirds of the population—to flee.

The terrorists were in deadly earnest. As critical ceasefire negotiations began in Damascus, the saboteurs shot and killed Soviet consular officer Arkady Khatkov, 38, dumping his body on a deserted, rubble-strewn lot near West Beirut's bombed-out sports stadium.



was. Not the first foreign diplomat to be murdered in Lebanon—Americans, French and Iraqi ambassadors are among those who have perished in the years of fictional strife—Kathoe had the grim distinction of being the first to be executed in cold blood after his kidnapping had issued political demands. Like Washington during past crises involving American hostages, Moscow seemed important in the face of the seizure. And an anonymous spokesman for the Islamic Liberation Organization, a previously unknown group which claimed responsibility, warned that without an early truce in Tripoli, "we



Hassan and Reagan in Washington; hostage Kathoe (below) a tactical shot

will continue to execute the hostages." Said Soviet chargé d'affaires Yuri Sourbille, "I am expecting bad news every minute."

In West Beirut, where the Soviet Embassy was raged with antiaircraft and anti-aircraft weapons, half the city's resident Soviet community of 150 was evacuated under heavy guard to Damascus, the Syrian capital, and then on to Moscow. But late on Thursday a tentative breakthrough was achieved. Meeting with Syrian leader Hafiz al-Assad, Soviet chief Sheikh Saied Shaban agreed to an immediate armistice under which most militias would yield heavy weaponry to Syrian troops.

Then, early on Friday morning in Beirut, Islamic Jihad, the umbrella name for several Muslim terrorist cells, announced the execution of William Buckley, 57, a U.S. Embassy political officer kidnapped in the Lebanese capital 19 months earlier. In a statement delivered to *Al-Nahar*, a Beirut newspaper, Islamic Jihad said that Buckley had been a "half-wit and low dignity" "worthless creature" and that he had been killed in

retaliation for Israel's attack on the riot. The statement alleged that Israel's bombing in Tunis had been planned and carried out with the active support of U.S. intelligence—a claim Washington swiftly denied. By late Saturday, however, Buckley's body had not been found, and some U.S. diplomats said that he might still be alive. Islamic Jihad still held five other Americans, as well as two French and one British subject, hostage.

The Israeli air attack led to a wave of international protest. Egypt—the only Arab nation not officially at war with Israel—suspended scheduled talks on a

peace with Tunisia and other governments in the region. Its support for Jerusalem particularly angered Tunisian President Habib Bourguiba, 85, who voiced "regret and astonishment" at the U.S. reaction. A state department official, noting that Washington had hoped to persuade Tunis to give the site sanctuary after its expulsion from Lebanon in 1983, concluded that "something like this doesn't play very well."

As well, Bourguiba's weakening health and the rising tensions of Islamic fundamentalism have made U.S. analysts anxious about the stability of Tunisia's pro-Western stance in the post-Bourguiba era. And some observers said that strong support for the Israeli attack might only serve the interests of the anti-American Muslim Brotherhood and other radical Islamic organizations. Last week, as security was tightened at the U.S. Embassy in Tunis, gangs of Muslim youths ran through the capital chanting anti-American, pro-Palestinian slogans.

As a result, Secretary of State George Shultz advised the White House to quickly draft a new policy position on the raid. To that end, a second official statement described the attack as "understandable as an expression of self-defense." But it added that acts of violence "are contrary to our objective for a peaceful, stable Middle East and cannot be condoned."

The administration was equally concerned about the consequences of the attack on the broader regional peace process. Indeed, as the Israelis attacked in Tunisia, U.S. officials were playing host to Jordan's King Hussein in Washington. That meeting was part of a continuing U.S. effort to bring a joint Jerusalem-Palestinian delegation into direct negotiations with Israel over the future of the Israeli-occupied West Bank of the Jordan River and Gaza. In fact, only one day before the Tunis raid, Reagan himself had voiced his hope that direct talks might begin "before the end of the year."

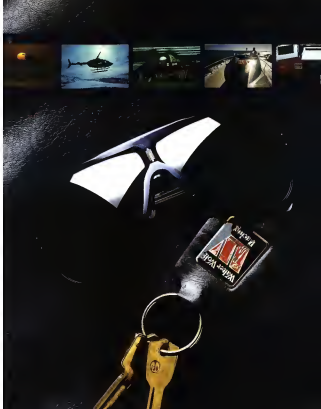
For many observers the optimism did not seem justified. Critical success remains unresolved, among them how to reconcile Jordan's demand for an international peace forum—including Soviet representatives—with Washington's refusal to give Moscow any serious status in the process. "We were not in the camp of peace," said William Quandt, a former U.S. national security council adviser now on the re-

border dispute and hinted at other possible reprisals. At the United Nations a parade of speakers endorsed a Tunisian resolution in the Security Council condemning the bombing. It was adopted by a vote of 14-0, with the United States abstaining. Indeed, the Reagan administration gave qualified support to the motion at first, calling the raid "a legitimate response" to terrorist attacks—as allies to the "Yom Kippur murders. Cypriot authorities are holding two Palestinians and a Briton pending charges.

During an impromptu White House press conference President Ronald Reagan said that the Israelis had a right to retaliate "so long as they can peg out the people responsible." He added, "I've always had faith in their intelligence capabilities." But in his



William Buckley, kidnapped U.S. Embassy political officer



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search staff of Washington's Brookings Institution. "We were, maybe, on the verge of a new serious round of diplomacy." The Hamees were, Qaddafi added, had moved "the Jordanians a little off dead centre."

The shift may have been tactical. The king is seeking a new American shipment of sophisticated weapons, a package that includes 40 advanced fighter planes and anti-aircraft missiles. His apparent readiness to open talks with Israel, some analysts contended, was nothing more than an attempt to win congressional approval for the arms sale, valued at between \$1.5 and \$1.8 billion.

Other commentators said that Israel's

prayed out of control, and the dead and injured lay untended in the rubble. Thousands of people in the besieged city were trapped in basements and stairwells for days.

Led by the charismatic Sheik Shabbab, the Tawheed had led off the Syrian Arab Democratic Party, its principal rival, which is supported by Palestinian fighters loyal to Arafat, an arch-enemy of Syria's Assad. But Tawheed alienated both the local Christians and the Muslim middle class by turning Tripoli into an Islamic mini-state. Arafat was banned, as were male coffeers in ladies' beauty parlors. In effect, Tripoli became a quasi-autonomous fundamentalist enclave—an enclave



Muslim militiamen in Tripoli: an Islamic minifate under siege

real, which must have been planned weeks earlier, say itself have been designed to sabotage prospective talks. But in Israel, Pess denied that claim, asking why the killings in Cyprus had not inspired the same skepticism about the Arab's commitment to peace. Said Pess in a speech to high school students in Tel Aviv: "If an attack on a terrorist command post, but to stop the peace process, why shouldn't the murder of Jews put an end to the peace process?"

Meanwhile, the latest chapter in Lebanon's interminable tragedy of violence continued in the battle for control of Tripoli, the nation's second-largest city after Beirut. Thousands of shells and rockets rained down on all quarters from the nearby Syrian-controlled heights as militia armed and financed by neighboring Syria fought to dislodge the fundamentalist fighters of the Syrian Muslim "Tawheed Al-Islam" (Islamic Unification) movement, which has ruled Tripoli for two years. Water and power supplies were disrupted, fires

erupted there as Assad's efforts to win political control in Lebanon. When after a week of fighting a Syrian mediation team failed to persuade Tawheed to surrender, Damascus unleashed the full fury of its cartridges in Lebanon, using Syrian battalions in the battle to prevent covering brigades. Then the besieged Syrians surrounded. If the truce holds, Syrian troops will play a key role in policing Tripoli, and similar joint parties will be allowed to resume activities, ending Tawheed's experiment in Islamic rule.

The lives of the beleaguered Syrian diplomats appeared to depend on how the future of Tripoli is resolved. If the truce collapses, most observers said that the terrorists will likely kill their hostages. Meanwhile, 2,100 km away in Texas, owing vengeance, the two buried roads of the Israeli raid.

—MICHAEL POWERS with BEN JORDAN and GUYTON MORTIMER in Jerusalem. JIM KILBE and FRANK AND MARK McDONALD in Washington

SOUTH AFRICA

A promise in bloodshed

Facing mounting pressure at home and abroad to dismantle apartheid, South African President P. W. Botha last week offered what he called a "radical reform." In a speech to the Cape Provincial Congress in Port Elizabeth, Botha offered citizenship and qualified voting rights to the nation's 20-million black majority, but made it clear that the 4.6-million white minority would continue to exercise control. "My party and I are committed to the principle of a united South Africa, with one citizenship and a universal franchise," Botha, 69, declared. Then he added that any liberalization would have to "insure that one group is not placed in a position where it can dominate other groups."

For Pretoria's critics, Botha's formula for what he called "co-operative non-racism" sounded like a restatement of existing policies. He did pledge to appoint blacks to a key parliamentary advisory body but categorically refused to desegregate schools and neighborhoods, two basic pillars of apartheid. That, he said, would lead to a state in which "the white minority is overwhelmed" and unable "to protect its livelihood."

The United Democratic Front, the nation's leading anti-apartheid organization, swiftly denounced the concessions as inadequate. In a statement, the UDF charged that Botha had once again declared "our basic demand, one person, one vote in a unitary South Africa, a non-negotiable." But his speech also disappointed some who are normally supportive of the government. "Words are no substitute for action," said the country's influential financial newspaper, *Business Day*. "We still do not know the clear and unequivocal leadership our country needs." One major problem how to reconcile Botha's vision of a united South Africa with his refusal to maintain the four tribal homelands in which millions of blacks reside.

The qualified assurance of reform took place against a backdrop of continuing violence. More than 130 South Africans, mostly black, have died in racial unrest during the past 30 months and more deaths were reported Saturday. Meanwhile, Barclays National Bank Ltd., South Africa's largest bank, ordered a clergy-led apartheid protest scheduled nationwide this week. The bank announced that all its branches will be closed for 10 minutes on Oct. 18.



Martin and Underhill: dependable skates and a relationship with chemistry

Recuperating from a bout of tendonitis at her Toronto home last week, **Barbara Underhill**, 25, five-time Canadian pair figure skating champion with her partner, **Paul Martin**, 34, recalled her last performance as an amateur. That was in 1984, when the duo captured gold medals at the World Championships in Ottawa. They had frayed a disappointing 7th at the Winter Olympics in Sarajevo, Yugoslavia, a month earlier, and Underhill says that her "new skates just weren't working for me." At Martin's

arrang, Underhill pulled on an old pair of skates that she had not worn for more than a year, and the pair won the world title with a dazzling performance. They turned professional after that and are now headliners with the Ice Capades—a job, says Underhill, that "pays us way more money than we need." At five feet, Underhill is a foot shorter than Martin and she attributes the success of their partnership to "the great chemistry between us." She added that there was not a romantic relationship and that she saw that as an advantage to their careers. Said Underhill: "There are always problems in a romance, and you end up bringing them onto the ice."

First-time novelist **Anne Murdoch**, the 40-year-old wife of multi-media mogul **Rupert Murdoch**, 54, says that she is "not really worried" about being overshadowed by her husband. The Scottish-born, New York-based writer, who was a only reporter as one of Murdoch's Australian newspapers when she married him in 1967, is currently as a world tour to promote her book, *In Her Own Image*, a novel set in New South Wales. "The book can stand on its own right," says Murdoch, who is now working on a second novel. A mother of three who went back to school and received a master's degree in literature from New York University last year, Murdoch says that her husband provides incentive and encouragement—but the work is her own. She added, "In the end I want

people to say, 'Have you read Anne Murdoch's new book?' rather than say 'Rupert Murdoch's wife has written a novel.'"

Fanboyed Vancouver businesswoman **Nancy Shalaska**, 47, recovering from his one-hungry in 1982, is currently on a buying spree. Among his recent acquisitions: two hotels, a cruise ship and a condominium complex which he has already sold. Shalaska says that he only does business with people whom he likes and then tries to make deals only if they are "fun." He said that despite his losses as owner of the now-defunct Montreal Alouettes football team, the "ultimate fan" is still watching the games as a team owner as long as the team makes money. But he added that he has no imminent plans to own a sports team. Said Shalaska: "Dumore, maybe. But that is not imminent. For me, imminent means today."

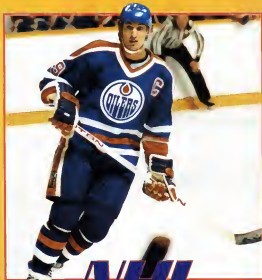
With only six coproductions and one role as an extra in the movie version of *Annie* to her credit, **Meredith Salenger**, 15, won the title role in the Disney picture *The Journey of Natty Fann*. She says of her role that she found "being a teeny in a fan." Salenger also discovered that she had undergone a quick growth period between her March, 1984, audition and the end of shooting seven months later. Far her screen test in Los Angeles, Salenger



Salenger: a growth period and a pair of shoes

selected a pair of shoes that **Shelley Winters** had worn in a previous movie, but the shoes were too large, and a wardrobe manager traded them to make them fit. Impressed with her work in *Natty Fann*, Walt Disney Pictures signed the young actress to a one-year contract and gave her the shoes as a memento. Said an obviously delighted Salenger: "During the course of the film I had grown into the shoes."

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NHL Super Season Preview



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Last year, over 12 million of those fans came to see NHL regular-season and playoff games, marking the 17th consecutive year that the League set an overall attendance record. They witnessed one of the most competitive regular seasons in NHL history as 17 of the League's 21 clubs finished with winning records, the highest number ever.

It was a season that saw Edmonton Oilers' superstar Wayne Gretzky add to his ever-growing list of records by notching 133 assists and his immense ice time score 71 goals, becoming only the third player in NHL history to score 70 goals in a season. At the same time, Oiler defenseman Paul Coffey was reaffirming his status as the top offensive blueliner since Bobby Orr.

In 1984-85, the top choice from the 1984 Entry Draft, Mario Lemieux of the Pittsburgh Penguins, became only the third first-year player to reach 100 points on his way to winning the Calder Trophy as the League's top rookie.

Another rookie, this one a coach, Mike Keenan of the Philadelphia Flyers, led his club to the best overall record in the NHL last year, then into the Stanley Cup Finals against Edmonton and was rewarded with the

Jack Adams Trophy as the League's top coach.

The 1985 Stanley Cup playoffs brought us some incredibly exciting moments culminating in Edmonton's successful defense of its title. Along the way we witnessed some very memorable matchups including a dramatic seven-game series between the Quebec Nordiques and their provincial rival, Montreal Canadiens, won by Quebec on an overtime goal by Peter Stastny in the deciding game.

We saw Edmonton sweep its first nine playoff games before losing two straight in Chicago during the Campbell Conference Championship. The Oilers also lost the first game of the finals against Philadelphia, but on both occasions they exhibited their championship character by rallying to win.

This season we say goodbye to stars like Guy Lafleur, Anders Hedberg, Darryl Sittler, Bill Barber, Craig Ramsay, Brad Park, Steve Shutt, Barry Orlowski, Blutch Goring and Mike Milbury, who have decided to "hang up their skates" and will be missed by all of us. At the same time, we look forward to watching the future stars who will begin their NHL careers this season.

The 1985-86 season brings with it added participation for the millions of hockey fans across North America. This year, for the very first time, the fans will vote for the starting teams in the All-Star Game, to be played in Hartford on February 4, 1986.

As we enter the 1985-86 season, we do so with great enthusiasm and expectation. We are equally excited in joining with Maclean's, Canada's weekly newsmagazine, to bring you this NHL preview and invite you to enjoy the coming season.



John A. Ziegler, Jr.

John A. Ziegler,
President

The Teams

A Look Around the League

Campbell Conference

Smythe Division

Calgary Flames

Can Calgary replace Kent MacIsaac scoring and sell Larry McDonald and Doug Risebrough bounce back from injury? If so, the Flames may improve upon their third place finish of last season.

Nelson, the team's leading scorer for the past five years, was sent to Minnesota for two second-round draft picks. His goals and assists may be missed. Last season, McDonald, a former 66-goal scorer, played in only 43 games and he will be counted on to pick up some of the slack. Risebrough, a solid defensive center and excellent face-off man, appeared in only 15 contests in 1984-85.

Center Gary Wilson, third among rookie scorers (24-48-72), Alaskan Lefty Paul Reinhart, Edley Berra, Don Quinn, Richard Kravens and Colin Patterson each scored at least 20 goals a year ago and will have to provide the majority of the scoring punch.

Newhart, Al MacIsaac, Paul Braxator, Jamie MacLean and Steve Kennedy are the mainstays on the blue line. Coachman Reggie Leach, who won 30 games and recorded the League's fifth-best save percentage (.888), will anchor the defense.

Edmonton Oilers

Like the New York Islanders (17-80-43), Montreal Canadiens (1976-79) and Philadelphia Flyers (1974-75) before them, once the Edmonton Oilers won the Stanley Cup

they were reluctant to give it up. By clinching their second consecutive championship in such impressive fashion, winning 15 of 18 playoff games, one must wonder if the Oilers are capable of making a run at the Canadiens' record five consecutive Stanley Cups won from 1956 through 1960.

Led by Wayne Gretzky, Jari Kurri and Paul Coffey—each possibly the best player at his position in the world—the Oilers are once again the team to beat in the Smythe Division. With the addition of Finnish-born Esa Tikkanen, who joined the club during the playoffs, and a return to form of left winger Mark Messier, who missed 25 games last season due to injury, Edmonton may be even better in 1985-86.

With a supporting cast which includes Glenn Anderson, Kevin Lowe, Mike Knuble, and Mark Napier and steady play from veteran goalies Glen Sather has the talent to make it three in a row.

Los Angeles Kings

In his first year behind the bench in Los Angeles, 1980 NHL Coach of the Year Pat Quinn led the Kings to a 23-point jump in the standings, the biggest improvement among all 21 NHL clubs. Quinn's patience with his young team and the system he instilled were directly responsible for cutting their goals-against by 50 and increasing their scoring by 30 goals from the year before.

Veteran center Marcel Dionne (46-80-126 in 1984-85) finished sixth in League scoring, his best season since 1980-81. Besides Dionne, four other forwards scored over 80 points last year—Beverly Nichols, Dave Taylor, Brian MacLellan and Jim Fox—and form a strong scoring nucleus.



Two rookie defencemen—Craig Redmond and Gerry Galle—played well. They should be better this year. Goalies Bob Janeych (22-21-18, 3.66) and Darren Soto (12-11-6, 4.37) played well as rookies and now have a full season under their belts. As the youngsters continue to improve with experience, the Kings can become a serious Smythe contender.

Vancouver Canucks

After not qualifying for the playoffs for the first time in six years in 1984-85, Vancouver named Jack Gordon general manager and hired 1982 Jack Adams Award winning coach Tom Watt to get the Canucks back to where they were in 1982, the Stanley Cup Finals.

Watt's disciplined style should cut down on the Canucks' goals-against which was highest in the NHL last year (162) to bring immediate improvement.

Their top goal-scorers, Tony Tanti (39), Stan Smyl (27) and Patrik Sundstrom (28) must continue to be the big scorers. Sophomore Peter Smita, who netted 21 goals in his rookie season, and 1985 first-round pick right winger Jim Sandlak both need to contribute.

The Canucks also need goaltender

Richard Brodeur to return to his form of 1982 when he was largely responsible for Vancouver's playoff success.

Winnipeg Jets

After beating Edmonton in their last three regular-season meetings of 1984-85, the Winnipeg Jets eagerly anticipated their playoff meeting with the Calgary Flames. Disaster struck when first star Dale Hawerchuk, the NHL's third leading scorer (29-72-130) a year ago, sustained a rib injury which severely limited his playoff action. The Jets were down in four straight.

With the healthy return of Hawerchuk, consistent scoring from linemates Paul MacLean and Simon Hult, along with significant contributions from Thomas Steen, Joanne Bonhomme and Doug Smith, Winnipeg should be among the League's top scoring teams.

On defense, 1981 Norris Trophy winner Randy Carlyle, Dave Babych and Robert Picard provide experience while sophomore Dave Ellar was unimpressive as a rookie. Brian Hayward, with 33 victories in 1984-85 (second highest in the NHL), is a top young goaltender.

If the Jets can improve on their

record within the division (173-14-5) they could challenge Edmonton.

Norris Division

Chicago Black Hawks

After a slow start (21-29-3) by the Black Hawks, General Manager Bob Pulford moved behind the bench and Chicago went 17-6-4 in their last 27 games to finish a close second to St. Louis in the Norris Division. In the playoffs, they defeated Detroit and Minnesota before being beaten in six games by Edmonton in the Conference Championship. This season Pulford, along with Roger Neilson and Cliff Norrell, will form a coaching trio.

The team's surge coincided with the return of Al Secord from injury, which rounded him with linemates Denis Savard and Steve Larmer, one of the League's top units. That line, along with forward Ray Murray, Curt Fraser, Darryl Sittler and Ed Olczyk as well as 1982 Norris Trophy-winning defenseman Doug Wilson provides plenty of firepower. Wilson along with

Bob Murray, Ash Brown, Brian Wilson and Jack O'Callahan give Chicago depth and experience at the blue line.

Workhorse forward Murray Bennerman, who appeared in 80 games last season, will see most of the action in goal but must lower his goals-against average which was 3.83 a year ago.

Detroit Red Wings

There are big changes in Detroit. It's in with the new—five agents: Warren Young (from Pittsburgh), Harold Snaps (from Minnesota), Mike McEwen (from Washington), Ray Staszak (U of Miami), Chicago, Adam Oates (U of Michigan), Tim Friday (RPI), Dale Mitchell (Michigan State University) and Chris Chabala (Michigan Tech)—and out with the old—Brad Park, Darryl Sittler, Colin Campbell, Ron Baldwin, Mike Chabala and Frankish Corral. Former Vancouver GM and coach Harry Neale has replaced Nick Polakowski (last season's first-round pick) as coach. Detroit is also trying to lure Petr Plhota, a top-rated 20-year-old recently-dejected Czechoslovakian to the NHL.

Neale must blend in the newcomers with high-scoring forwards John Gorman (55-50-108) or 1985 First Team All-Star, Ron Duguay.

(38-51-89) and Steve Yarnman (30-59-89).

The defense will focus around Reed Larson and the new acquisitions—McIsaac, who will be an asset on the power-play, and Snegoff.

Minnesota North Stars

Last year was a nightmare of injuries for the North Stars. Choosing them to drop 34 points in the standings from the previous season. Six of their top offensive players—Ken McCarthy, Dino Ciccarelli, Phil Housley, Tony McKelvey and Craig Hartsburg—missed significant parts of the 1984-85 season.

But 1985-86 is a new year with a new coach, Lorne Henning, the former assistant coach of the New York Islanders, and a new offensive weapon, Kent Nilsson, obtained from Calgary.

With the return of the wounded, the North Stars can match firepower with any team in the NHL. On defense, Hartsburg, Curt Giles and Gordie Roberts have plenty of experience.

The goaltending chores fall into the hands of Don Beaure and Holke Malanson if they held up, and coach Henning installs in the main some of the defensive skills he exhibited himself as a player. Minnesota may reclaim the Norris Division title they lost last season.

St. Louis Blues

Can Doug Wickhamberger successfully return this year, or even, from reconstructive knee surgery? Will free agent Joe Mullen, the team's second-leading scorer in 1984-85, be in a Blues' uniform when the season begins? Does this acquisition of Mark Hunter from Montreal compensate for the loss of Jorgens Pedersen, who was sent to Hartford as the player to be named later in completing an earlier deal? The answers to these questions will have a significant bearing on the St. Louis offense.

Center Bernie Federko led the team in scoring for the seventh straight season (30-73-103) in 1984-85 and can be counted on to carry his share of the load. Good efforts from captain Brian Sutter, Mark Johnson,

Doug Gilmour, Greg Paulsen and three new acquisitions—Hunter, Ron Macchione (from Montreal) and Rick Waghner (from New Jersey) are essential to the team's success.

Toronto Maple Leafs

The Maple Leafs enter 1985-86 with a few valuable additions Toronto added the number one selection overall from the 1985 Entry Draft, Wendel Clark of the San Jose Sharks.

Blades (MHL) Clark can play both left wing and defense and it remains to be seen at which position he is used.

The Leafs also signed free-agent right winger Alan Stastny, formerly of Quebec, and obtained defenseman Brad Maxwell from the Nordiques for John Anderson. In goal, they added veteran netminder Don Edwards from the Calgary Flames.

Due to the departure of Anderson, a new left winger needs to be found to skate with Bill Dierker and Rick

Verre on Toronto's first line, it could be Clark. In Maxwell, the Leafs have obtained an experienced defenseman who should help with some of their younger blue-liners—Gary Laeman, Al Iafate and Gary Nylund. The club hopes that Stastny can add some experience and offense up front.

Toronto's goaltending should be improved with the acquisition of Edwards and the continued steady play exhibited by Tim Bernhardt as a rookie last season.

Prince of Wales Conference Adams Division Boston Bruins

Boston is coming off their worst season (36-34-10) since 1968-69 and a first-round exit from the

playoffs. With new coach Butch Goring, who retired as an active player at the conclusion of the 1984-85 season, the Bruins are looking to rebound immediately.

Injuries to Barry Pederson, a 100-point man, and defenseman Gord Klusik, the 1982 Entry Draft number one pick overall, were significant in the team's poor performance. The loss of Pederson, particularly hurt linemate Rick Middleton whose output dropped from 108 points in 1983-84 to just 76 last year.

With Pederson, Ron Lemieux, Steve Kasper and Tom Fergus, the Bruins are solid at center. On the wing, they added Craig Ventres from RPI to Middleton, Charlie Smeere and Keith Crowder, but lack scoring from both sides, especially with the retirement of Terry O'Reilly.

The defense is led by the team's top scorer and 1985 First Team All-Star Ray Bourque (20-66-86) along with Mike O'Donnell.

Buffalo Sabres

In 1984-85, Buffalo allowed the fewest goals-against in the NHL, and new coach Ben Schofield, a defenseman along, has 13 years in the League, would be pleased if they duplicate the feat. If they do, they will be led by goaltenders Tom Barssano and Bob Seave, the 1985 Jennings Trophy winners. Barssano was especially impressive, a year ago, when he responded to an early season demotion to the minors by bouncing back to lead all goalies in goals-against-average (2.68) and minutes (196).

Wesley center Gilbert Perreault led the team in scoring (30-53-83) for the 11th time in his career and gets good support from Dave Andreychuk, Mike Foligno, John Tucher and Paul Cyr up front. Craig Ramsay, who won the Frank Selke Trophy as the NHL's top defensive forward last year, has teamed as an active player and will stay with the club as an assistant coach. His strong defensive contribution will be missed.

Led by offensive-minded Phil Housley the team's second-leading scorer in 1984-85, as well as Mike Ramsay, Lindy Ruff, Aurim Viro, Bill Hall and Larry Playford, the Sabres have a tough defense.

One player of interest to watch will be a youngster named Gusecky.

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that's Alth, Wayne's younger brother, who was drafted in the third round this year.

Harford Whalers

As hosts of the 1986 NHL All Star game on February 4, the Whalers are assured of some mid-season excitement at the Civic Center. Harford would like to add some post-season thrills in the playoffs, which they have made only once, in 1979-80, their first year in the NHL. President/GM Emilio Francis has assembled enough talent to make a good run at it, but his club must improve upon their weak 57-79-4 record against their own division.

Injuries to Ilyaev Targov, a 40-goal scorer as a rookie in 1983-84, and Bob Crawford last year hurt the team and their return is important. The Whalers have added Jorgen Pettersson, a consistent 30-goal scorer, from St. Louis. Pettersson along with Targov, Crawford, Ron Francis, Ray Neshek, Greg Malone and Kevin Dineen must look to increase Harford's goal output of 268 last season.

On defense, the Whalers added Dana Murzyn of the Calgary Wranglers NHL to their top choice (left over) in the 1985 Draft and he could help right away.

Montreal Canadiens

The big news out of Montreal during the summer was the decision of coach Jacques Lemaire to step down after leading the Canadiens to a first-place finish in the Adams Division and a heart-breaking seventh-game overtime defeat at the hands of their provincial rivals, the Quebec Nordiques, in the division final. He will be replaced by his assistant Jean Perron who is looking to duplicate his predecessor's success.

Swedish-born Mats Nilsson led the team in scoring last season with 79 points, but consistent scoring is also required from the other forwards—Mario Tremblay, Guy Carbonneau, Bobby Smith, Mike McPhee, Chris Hahn and Ryan Walter—especially since the status of center Pierre Moreau is unclear due to an eye injury.

With three rookies—Chris Chelios, Tim Kurvan and Petr Seabrook—who stepped right into the lineup last season to join veterans Larry Robinson,

Wick Green and Craig Ludwig, the Canadiens defense looks very good. Goalending prospect Patrick Roy is a possible threat to replace either Steve Penney or Doug Smeaton on the roster.

Quebec Nordiques

Known as a high-scoring team with little regard for defense, over the past few years, Quebec respected that style last season and allowed only 275 goals against, fifth-best in the League. Much of the credit belonged to goaltender Mario Gosselin, who notched 19 wins while allowing only 3.30 goals-per-game during his first NHL season.

Another rookie, Bruce Bell, was a significant contributor on defense to a steady corps which includes Mario Maros, Randy Moller, Pat Price, Norman Macfadden and Blake Watson. The depth at that position allowed the Nordiques to send defenseman Brad Maxwell to Toronto in exchange for right winger John Anderson, a consistent 30-goal scorer. The addition of Anderson to an already potent offensive squad which includes Peter Stastny, Michel Goulet, Anton Stassny, Dale Hunter, Brent Ashton and Wilf Patera makes the Nordiques even more dangerous than before.

In 1983, they lost in the opening round of the playoffs, in 1984, in the division final. Last year, the Nordiques lost to Philadelphia in the Conference Championship. In 1985-86, they will see if they can take the next step, to the Stanley Cup Finals.

Patrick Division

New Jersey Devils

The New Jersey Devils have a goal. It is to bring the NHL playoffs to the Byrne Meadowlands Arena for the first time.

Last year, under first-year coach Doug Carpenter, the Devils improved upon their record by 12 points over the prior season. Carpenter's disciplined army is responsible for making the Devils more competitive. If New Jersey had played as well against the other teams in the League as they did against their Patrick Division rivals, they would have been in the playoffs. The Devils had a problem scoring

in 1984-85, tallying only 264 times, the second-lowest total in the League. If they can get increased production from veteran Mel Bridgman, last year's team scoring leader, recently signed Peter MacNab, whose father Max is the club's GM, and a few of their younger forwards—Rick Mallett, Aaron Broten, Pat Verbeek, John MacLean, Jan Ludvig and Greg Adams—they better their chances of achieving their goal.

With Dave Pachette, Phil Russell, Joe Cirella, Bob Lammie, youngsters Bruce Driver and Ulf Hanner and high hopes for number one pick Craig Mahura, the Devils have a good defense. Chico Resch will play a majority of games in goal with any one of a number of talented young netminders behind him.

New York Islanders

Since their tumble from the top in 1984, General Manager Bill Torrey has undertaken the task of rebuilding the Islanders by making room on the roster for younger players like forwards Pat LaFontaine, Patrick Harty, Roger Nantais, defenseman Gerald Drick and goalie Billy Whelby. In addition, two other defections—Gord Dineen and Paul Rutishauser, who had played only parts of previous seasons—became regulars in 1984-85. After seriously considering retirement, coach Al Arbour has decided to stay to assist Torrey in the rebuilding process.

Mike Bossy is coming off of a season in which he established an NHL record by reaching the 50-goal plateau for the eighth consecutive year and led the team in scoring (58-59-117). Bush Brent Sutter (32) and John Tonelli (102) reached the 100-point mark for the first time. If Bryan Trottier rebounds from a sub-par season (59 points), Greg Gilbert from injury and LaFontaine, Harty, Dineen, Sutter, Clark Gillies and Bob Bourne perform as they can, the Isles will have a potent attack.

Dennis Patrick, Tomas Jonsson and Stefan Persson added to Dineen and Rutishauser provide a significant defense. If Ken Morrow and Dave Langevin can overcome their injury problems, the defense becomes superb. Goaltenders Hudnyk and Billy Smith can elevate that defense to even a higher level.

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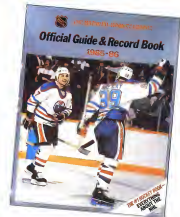
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New York Rangers

The Rangers are coming off their worst season (26-44-13) in nearly twenty years, but have a couple of things in their favor. First is new coach Al Seale, fresh from a trip to the Stanley Cup Finals as assistant coach of the Philadelphia Flyers. Second is the fact that seven of their regulars—Ron Greshner, Mark Pinella, Dave MacKenzie, Barry Beck, Mike Allison, Tom Laidlaw and Mark Osborne—are returning healthy from a season full of injuries.

Center Mike Rogers (26-38-64) and Pierre Larouche (24-30-60), both former 100-goal scorers, need to increase their offensive outputs. Right winger Tommas Sandstrom was a pleasant surprise and was voted to the NHL's 1985 All-Rookie team.

Despite the fact that defenseman Reijo Ruuskaenen led the Rangers in scoring (28-45-73) last year, it is Barry Beck who is the team leader. Now that he has had his shoulder surgically repaired, he may be the dominant force the Rangers need. The return of both Greshner and Laidlaw is important. Sophomore James Patrick, a 1987 first-round pick, must improve his play.

Goalies Glen Hawton and John Vanbiesbrouck proved themselves under fire last year by standing up to the second most shots-against in the League (2785).

Philadelphia Flyers

Picked by many to finish fourth in the Patrick Division last year, the Flyers surprised everyone by finishing with the best record in the NHL (33-20-7) and making it to the Stanley Cup Finals with a relatively unknown bunch of youngsters. They were led by a rookie GM, former Flyer-great Bob Clarke, and first-year coach Mike Keenan, who won the Jack Adams Award for his accomplishments.

Center Tim Kerr, Philadelphia's "big" scorer (27, 225 lbs.), whose 27 power-play goals led the NHL in 1984-85, Brian Propp, Dave Poit, Mike Snielo and Murray Craven all scored more than 25 goals in 1984-85. Sophomores Peter Zezel, Rick Tocchet, Derrick Smith and Todd Berger all matched valuable experience last season and supply great depth at forward.

Mark Howe, Doug Crossman,

Brad Marsh and Brad MacCrimmon, who suffered a separated shoulder in the playoffs, provide a very sound foundation on defense.

Pelle Lindbergh was voted the League's top goaltender last year.

Pittsburgh Penguins

Pittsburgh made strides in the right direction during 1984-85, upping their point total in the standings by 15 from 38 to 53. However, the Penguins finished sixth in the Patrick Division, missing the playoffs by nine points. They must continue to improve, especially on the defense and on the power play.

Mario Lemieux, last season's NHL mack of the year, heads a pretty good list of young, talented forwards which includes Doug Shedden, Mike Bullard, John Chabot and 1985 first-round selection (second overall) Craig Simpson. Veterans Wayne Babych, and Terry Raskowski, signed as a free-agent, will add smarts and depth. Warren Young, who scored 40 goals last season, just signed with Detroit and will be missed.

The Penguins gave up the most shots on goal (2946) and the second highest goals-per-game (3.78) in the NHL last year, so defense is a major

priority. Veterans Mike Mantha and sophomore Doug Bodger are a start, but more is required.

Dennis Herron will probably be the starting goalie and Roberto Romano should be his stand-in.

Written by
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NHL
Photography by
Gregg Auld

Washington Capitals

After sitting on top of the Patrick Division for much of last season, the Capitals lost a two-game, home and home series late in the season and eventually the division title to Philadelphia. Then in the playoffs, after beating the Islanders in two overtime games, Washington lost three straight and was eliminated. If the Caps can take away something positive from those two disappointments, they may have been a blessing in disguise.

The team became a contender by playing tough defense and with two-time Norris Trophy winner Rod Langway plus Scott Stevens, Larry Murphy, Darren Veitch, Peter Anderson and Timo Blomqvist that shouldn't change. The loss of free-agent Mike McEwen to Detroit could hurt the power play.

If they sign free-agent Bob Carpenter, coming off the best season of his four-year career, to play in the middle with their top scorer from 1984-85, Mike Gartner, the Caps have two of the League's top scorers. Guenther's Pat Riggin, Al Jensen and Bob Mason finished with the second best goals-against-average.



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Confronting the debt crisis

A roughly 8,000 international business and finance ministers—excluding Canada's Michael Wilson—gathered to gather at the 8000 Hotel in Seoul this week, they faced the formidable issue of finding ways to lift the burden of a \$300-billion (U.S.) debt load from the shoulders of the poorest nations on earth. The occasion: the annual meeting of the International Monetary Fund and the World Bank, the twin pillars of the international monetary system. At the hotel, the IMF was likely to be the focus of attacks by debtors who accuse it of forcing them to adopt unpopular austerity programs which have on occasion led to civil unrest. Such was the case with Secretary General Banathi Rungtshai. The IMF has not itself on a course of increasing intolerance to the developing world.

Indeed, the 148-member IMF faced the greatest challenge since 1968 when Mexico first announced that it was on the brink of bankruptcy. The IMF, an inter-meddling between debtors and banks that also makes its own short-term loans, quickly dealt with that crisis by requiring far Mexico and other debtor nations to postpone the repayment of their loans from private banks and to obtain new financing.

In return, the debtors attempted to regenerate their economies by following the program that called for more exports and cutbacks in imports and government spending. But this year debtors have fallen behind on their payments because of a slowdown in world trade.

As a result, there is a growing reluctance to accept the IMF's austerity and loan repayment plans. The movement is spearheaded by the leaders of several democratic governments in Latin America. Two weeks ago President José Sarney of Brazil, the developing world's largest debtor, with \$115 billion owed at the end of the 1980s, opened the 40th session of the United Nations General Assembly by declaring that Brazil "will not pay its foreign debt with resources, not with unemployment, nor with hunger." He was followed by Peru's charismatic president, Alan García, 36, who said last July that he will not negotiate with the

IMF and limit Peru's debt payments to 20 percent of its export earnings. He told the IMF: "We are faced with a dramatic choice. It is either debt or democracy."

Last summer Latin American finance ministers met privately and at open conferences to discuss the need to pressure the IMF. Western banks and governments for loan covenants and more aid. And last summer, in a government setting action that international banks

signed to help. Last year angry mobs killed the streets of the Dominican Republic's capital, Santo Domingo, after the government slashed subsidies on food as part of an IMF-inspired austerity program. And this spring a similar move to increase food prices in the Sudan led to the overthrow of the government there.

A year ago it appeared that the IMF's policies for the economic well-being of



Peru's García, Brazil's Sarney (below) crushing payments and opposition to austerity plans

any other countries may erode. South Africa desired a market share on the requirement of its foreign debt after international banks demanded immediate repayment of the country's loans. Many critics also declared that the IMF had forced too much attention on recovering Latin America's \$570-billion debt, ignoring the needs of other, equally poor areas. "The world has not yet heard the voice of Africa or debt," declared Rungtshai last week at a conference at Cambridgeville, finance ministers held in place.

Western governments have also expressed concern that the IMF's insistence on strict austerity threatens the very governments that it is de-

signed to help. Last year angry mobs killed the streets of the Dominican Republic's capital, Santo Domingo, after the government slashed subsidies on food as part of an IMF-inspired austerity program. And this spring a similar move to increase food prices in the Sudan led to the overthrow of the government there.

A year ago it appeared that the IMF's policies for the economic well-being of



strength have fallen close to Depression-era lows. In Mexico all revenues, which account for 70 percent of the country's export earnings, dropped more than 40 percent in the first half of the year compared to the same period in 1984. And as commodity prices fall, countries have to use an increasing proportion of their earnings to pay the debt interest on their loans. Nigeria, for one, now pays out more than 40 percent of its export earnings in interest on its debts.

Still, despite the clamor from Third World countries for relief, the IMF remained adamant that nations seeking its support must follow its austerity program. But as developing nations' difficulties increased, they received support for their anti-IMF stances from anti-IMF sources. In a report released last month, the Inter-American Development Bank, a multinational lending institution, delivered a scathing critique of IMF austerity policies, calling them short-sighted remedies that undermine long-term prospects for growth. The bank said that Latin America was effectively transferring vast sums of capital in the form of debt payments to the industrial north, mainly the United States. It concluded that debt nations have "valid reasons to resist" that trend.

Government finance officials in Canada say they already sense that not all the money owed to Canadian banks will be repaid. Federal bank regulators have given Canada's six largest banks until November, 1986, to put aside reserves for a 30- to 35-percent loss on an estimated \$24 billion in loans to 32 debtor countries. Such Lloyd Atkinson, chief economist for the Bank of Montreal. "Nobody expects to be paid the entire loan. The difficulty for these countries is generating the surpluses just to pay the interest."

Faced with the possibility that Third World countries may even form a "debtors' cartel" to default collectively on their loans, at Seoul this week the Reagan administration will probably offer to give its political and economic leverage to press commercial banks to increase their lending to the world's top bankers and government officials had been asked to present a program to the World Bank, which offers low-interest, long-term development loans. That would cost the U.S. power companies to initiate such job-creating projects as roads, railways and power stations which are necessary for long-term economic health. "China and most U.S. banks say there is a limit to how much we can push these countries down," said Atkinson. "After all, how much blood can you draw from a stone?"

—MARK GLENN, with APG WASHINGTON
in Toronto and LINDY GLENN in New York

Seoul gets a face-lift

The bulldozers and the police arrived last May, and soon the photos of Yang doing in downtown Seoul, South Korea, had been torn down and transformed into a parking lot. 2,000 families who lived in its place of dark alleys, Yang doing was leveled because of its location between the two buildings that are the site of this week's meeting of the International Monetary Fund and the World Bank—the towers are Seoul Hilton and the impressive headquarters of the Daewoo Corp.

The destruction of Yang doing was part of a six-month effort by the Daewoo

At the same time, the government lifted a ban on the importation of beef—initially imposed to protect domestic producers—so that hotel restaurants would have enough steaks on hand. The government was also determined to keep students, who planned to protest the IMF's handling of the Third World debt crisis, from marching in the streets. Police and security forces were expected to be deployed in force. Indeed, hundreds of students and demonstrators were arrested in a crackdown that started last May. Spokesmen for the government also said that it might pass a "campus stabilization law" which would



South Korean capital a face on uplifting, dog meat, demonstrations and poverty

crisis Justice Party government headed by President Chun Doo-hwan to try to make certain that the poverty and problems of Seoul, capital of the world's fourth-largest debt-ridden nation, were almost invisible in the reflecting glass of new skyscrapers. The part of the city that was razed to the ground by bankers and government officials had been redesigned to present a prosperous image of a country that is carrying a \$60-billion foreign debt. To that end, government officials told Seoul's residents not to spit on the streets and they ordered new street sweepers aggressively to clean and not drivers to start driving in straight lines. At last, authorities instructed street-front butchers to halt their ancient trade of dog meat because officials were worried that the sight and smell might offend foreigners. Also, the government has forbidden the sale of Korean beef to contain mad cow and mad sheep diseases.

allow police to imprison radical students for as long as six months in special "re-education" camps.

For the displaced families of Yang doing, the government did offer some compensation for their discomfort—the heads of the 1,200 households affected were moved between \$30,000 and \$40,000 each, worth \$300 to \$750, for their last family home. Later this year the parking lot will be replaced by an office block, part of a massive construction program designed to turn Seoul into an urban showcase when it plays host to the Asian Games in 1988 and the Olympics in the summer of 1988. But Reports Minister Lee Young-ho, whose ministry is spending \$3 billion (U.S.) on the Olympic Games. "In Korea we do not have slums. The poorest sections of Seoul are a starting station for improvement and mobility."

—PETER MULLER in Seoul

A black month for Canadian banking

At the venerable Supreme Court building in Ottawa, reporters and lawyers packed a small wood-paneled courtroom last week to witness the start of legal proceedings to reveal why two Canadian banks collapsed in a one-month period. The man whose Prime Minister Brian Mulroney appointed two days earlier to head the inquiry, Supreme Court Justice William Robson Estey, explained that the commission was still in search of an office, telephones, full-time staff and a larger hearing room. But the 66-year-old former Ontario chief justice promised that the multi-city investigation would find out what went wrong at the Edmonton-based Canadian Commercial Bank and the Calgary-based Northland Bank. Declared Estey: "We do not intend to set down a code of procedure or have any hard and fast way of doing business."

The collapse of the banks—the last bank to close its doors was the Hants Bank in 1983—was expected to produce major changes in the way the financial industry is regulated. Armed with a broad mandate, Estey will study whether auditors and directors involved with the banks were negligent enough in overseeing the institutions' affairs. As well, the commission will likely investigate a report of possible wrongdoing within the banks. On a broader scale, the government must deal with the apparent shortcomings of the deposit insurance regulations and whether there is any place for regional and smaller banks in Canada.

But for now Ottawa faces a difficult time in legally dealing with at least one of the two troubled banks. At week's end, Manitoba Court of Queen's Bench Justice Daniel Kennedy refused the federal government's request that he appoint a provisional liquidator—something already done with the CCB. Instead, he ordered Toronto-based Toronto Bank Ltd. to act as trustee as the government-appointed "receiver" of the bank's affairs until meetings of shareholders and creditors are held.

That was further evidence that Northland's struggle to stay alive may not be over. On Labor Day weekend, when the government attempted to close the bank along with the CCB, Northland's management prevented the move. And bank president William Nepele told *Maclean's* recently that he planned to dispute Canada Trust Bank's assessment of the bank's worth. Nepele also suggested that there was a conflict of interest because the curator was awarded the reworkship

contract based on the firm's own audit. Indeed, Ottawa's decision to place the Northland case after the submission of two reports—one from curator James Morrison, president of Toronto Bank, who had been inside the Northland for the month of September directing an army of 96 bankers and accountants assigned to evaluate the bank's worth. Morrison concluded in a submission to



Reluctant: turning down bailout plans

Minister of State for Finance Barbara McDougall on Friday, Sept. 27 that it was "not a viable banking operation." A day later Robert Bellamy, an adviser appointed by McDougall to assess proposals for financially restructuring the Northland, concluded that of the four submissions from the private sector none offered sufficient assurance that the bank would be permanently saved. "All the plans relied on an open-ended commitment by the federal government to fund deposits," Bellamy said. "And that is not financially sound."

The announcement that the government intended to liquidate Northland had immediate repercussions. On the

Toronto Stock Exchange financial company stocks sank, and on Bay Street speculation surfaced that other small institutions would suffer from a general lack of confidence in the banking system. According to rumors in the financial community, the Montreal-based Montreal Bank of Canada and the Vancouver-based Bank of British Columbia were seeking merger partners in a bid for financial stability. Said banking analyst Terry Shannaway of Toronto-based Merrill Lynch Canada Inc.: "The big banks are in the most powerful position they have been in for 30 years."

For the major chartered banks, the crisis presents an opportunity to gain lost ground in their attempt to fend off emerging financial powerhouses such as Paul Desmarais's Power Financial Corp. and Edmond and Peter Brundman's Trifin Financial Corp. For the past 14 years the big banks have faced increasing competition as other lenders entered the field. Then, last April, McDougall issued proposals to further strengthen the powers of new banks while rejecting calls to make changes to the Bank Act.

A more immediate problem for McDougall, Estey and the Canadian finance committee is the Canada Deposit Insurance Corp., which is \$1.3 billion in debt. By extending the \$60,000 insurance limit to cover all uninsured deposits in two failed banks, analysts say, the government threatened the rules that were designed to impose discipline on the larger players. And because the government has abandoned the concept of not insuring larger, more sophisticated depositors who take bigger risks for higher returns in the market, consumers are confused about the lack of rules. "The government felt if it stood behind a bank it would stop a run," said Shannaway. "But events proved that it isn't if depositors are not confident. It's the market. In this case the public, at work."

The final cost of the bank's failure is expected to go far beyond the \$670 million that the government has already committed to pay uninsured depositors in the two banks. In addition, there is the \$420-million obligation to insured depositors. And Ottawa still faces the dispute with its major Canadian banks over their claim that they should be compensated for their \$60-million share of the abortive March rescue of the CCB. Finally, there will be the bill for Estey's inquiry itself, McDougall told Parliament last week. "The government does not put a price tag on truth."

—PATRICIA RICE in Toronto

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A sweetheart tax ruling

When Petro-Canada bought most of the refining and marketing assets of Gulf Canada Ltd. two months ago, the controversial Crown corporation became Canada's largest private retailer. At the time, Prime Minister Brian Mulroney defended the \$886-million deal as a key part of "constructive policy to Canadianize the oil industry." Last week Mulroney was again forced to defend the dramatic purchase amid opposition charges that Canadian taxpayers lost about \$1 billion in tax revenue through a Revenue Canada ruling on the transaction. Although

proclaires to avoid taxes during takeovers even though, they say, takeovers do little to promote economic growth. And opponents complain that Revenue Canada rulings on these expenditures are secret—and beyond the scrutiny of Parliament.

Adding to the controversy was the revelation that former deputy minister of Finance Marshall (Mackey) Cohen was considering a job offer from Toronto-based Olympia and York Developments Ltd., a firm that played a key role in the sale. Cohen was in Finance last May when the relative Rockman family,

and Mead of Toronto last August, the tax on Gulf's Edmonton refinery alone would have been substantial. The refinery sold for \$770 million, and the depreciated value was about \$160 million, so Gulf would have owed taxes on at least \$270 million.

But Gulf did not have to pay the tax because the assets reached Petro-Canada by a completed, indirect route that had the advantage of an advance Revenue Canada ruling. Leading tax analysts told Mackenzie that it appears the Gulf assets were transferred to a newly created company subsidiary at their depreciated value in return for preferred shares. The subsidiary subsequently redeemed the preferred shares, treating the redemption as a dividend payment—and dividend payments to public companies are not taxable. Then, all the shares of the new Gulf subsidiary were sold to a subsidiary of O&Y. That subsidiary, in turn, transferred the Gulf assets at their depreciated tax value to a newly created partnership consisting of itself and Norcon Energy Resources Ltd., a firm controlled by Toronto financier Conrad Black.

That partnership was then liable for the taxes that Gulf once owed. But the O&Y subsidiary used Income Tax Act provisions governing partnerships to "step up" the tax value of its partnership interest—which increased the value of the assets from the depreciated value to the fair market value. According to *The Globe and Mail*, under that provision the refinery value went from \$182 million—to its depreciated value when Gulf owned it—to \$269 million. That meant that only \$6.8 million was taxable income—the difference between the \$275-million sale price and the "stepped up" value. With Cohen, an oil industry analyst with Peters and Company in Calgary, estimated the size of the total tax savings at \$1.45 billion.

That hefty tax break caused the interest of Auditor General Kenneth Dye who is conducting a study into tax incentives for his 1986 report. The auditor general was also waiting for a Federal Court ruling expected this week on his request for a court department decision relating to Petro-Canada's 1985 purchase of Petrolina Canada. In that sale, Petro-Canada set up a subsidiary company to convert Petrolina's fixed assets, such as service stations, into preferred shares. The result was that the company saved at least \$200 million in Canadian taxes. In its last report Dye warned "Tax expenditures are a huge hidden budget in the financial affairs of Canada. They represent a massive element in the public economy that is engaging the proper scrutiny of Parliament."

—MARY JANSSEN at Toronto



Cohen's opposition charges that ruling cost taxpayers about \$1 billion

owners of O&Y, announced their \$24-billion bid for Gulf Canada. Cohen would not return calls last week—and O&Y would only take telephone messages for him.

The sale was completed on Aug. 2—and O&Y obtained the 90.9-per-cent interest in Gulf Canada held by Sun Francisco-based Chevron Corp. Ten days later Petro-Canada purchased Gulf's refining and marketing assets, including 1,200 service stations and four refineries. If Petro-Canada had bought these assets directly from Gulf, Gulf's tax bill would have been high. Because companies are allowed a tax break on income when they depreciate the value of their assets over time, Gulf would owe tax on the difference between what it received on the sale of the assets and their current depreciated value. According to documents obtained by *The Globe*

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Selling to the Vatican

After 30 months of negotiations the deal was completed over a pasta lunch in a Rome restaurant. And for the ownership of Geac Computer Corp. Ltd., located in Markham, Ont., just north of Toronto, the opportunity seemed heaven-sent. Last month Geac's president, Charles (Chuck) Williams, announced that the company had signed a \$600,000 contract to install computer systems into the Vatican's

Vatican Library. Now housed in a 16th-century Renaissance stone building, the library has used a manual card catalogue system since it was founded in 1475 by Pope Sixtus IV. But currently, said Williams, the library is "a little behind with its cataloging—so we're a few years behind."

The 14-year-old company, founded by E. Angus Gieseler, a computer specialist, and Robert Insarati, a marketing expert, both from Toronto,

has built its reputation by specializing in computer systems for libraries and financial institutions. It is a strategy that has made Geac one of only a handful of profitable Canadian computer companies. Geac's customers have found the company's computer packages ideal for organizing and verifying rapidly changing library catalogues and records of financial transactions. In early 1983 San Francisco-based BankAmerica Corp., the second-largest U.S. bank, bought six signature verification systems from Geac for \$3 million. Then, in May, 1985, the French national library in Paris, one of the world's largest, chose Geac over competitors including International Business Machines Corp. (IBM) to install a \$3-million computerized catalogue

system that would help it streamline its operations. And several months later that year Geac signed a \$3.4-million contract with the Washington-based Smithsonian Institution libraries for a similar catalogue system.

The innovative young company began by computerizing the records of school boards and small dealers in Ontario but now generates more than 50 per cent of



Williams: a marked niche

"Nobody seemed to know how much effort we have put into foreign sales until we signed the Vatican."

Geac's international success evolved from a decision in the late 1970s to specialize in computer hardware and software for library and financial transaction systems. The company had already begun to produce its own computer hardware in 1976 because existing computers could not handle Geac's increasingly sophisticated software programs. At a time when computer systems sold by other companies could only process one type of financial transaction—such as a credit card payment or withdrawal—at once, Geac's products could process many different types of



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Photo by Bill Williams. Model's shot was in 1974. Photo by the United States Coast Guard

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Photo by Bill Williams. Model's shot was in 1974. Photo by the United States Coast Guard

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Byron J. Brown. Model's shot was in 1974. Photo by the United States Coast Guard



financial transactions at the same time. The company's strategy of producing specialized hardware and software soon proved profitable. By 1989 it had installed computer systems at such major financial companies as the Toronto-based trust firm The Permanent. It had also automated its libraries, including two university libraries in Ontario, at the University of Guelph and the University of Waterloo. And in November, 1984, Household Finance Corp. of Canada chose a \$10-million Genac system over 38 others because of its unique features. According to the lead assistant vice-president of transaction services Malcolm Thorley, Genac's system will replace the IBM system in the company's consumer finance branches because of its capacity to compile a customer's entire portfolio of transactions. Said Thorley: "If I spend one dollar at Genac I get far more value than if I buy a generalized computer system. Now we have a technological edge that other companies would be envious of."

For other buyers the low cost of Genac's products is a compelling factor. Said Joyce Salomon, general leader for consumer automation at the French national library: "For us, Genac appeared a number 2 in terms of quality but number 1 because of price." Added Horvath's Thorley: "The price of Genac's software alone was one-third the cost of comparable software to run on an IBM system."

Although 1984 was the company's best year for sales, an attempt to crack the medium-sized financial institutions in the United States proved less successful. Last year Genac spent \$2 million opening U.S. branches and funding aggressive marketing and research studies. But the company discovered that U.S. bankers were extremely wary about making large capital expenditures because of the unpredictability caused by a severe recession. In fact, the temporary closures last March of T.I. Ohio Savings and Loan institutions. As a result, although revenue climbed 18 per cent, to \$71.7 million, profits fell to \$5 million from \$6.1 million a year earlier. Added Williams: "It has been tough getting into U.S. banking that we anticipated."

But Genac's troubles in the United States are belated by another 1984 investment that analysts predict will pay off: the company's new Concept 9000 computer. For the first time, Genac has hardware that is powerful enough to equip such large institutions as the country's biggest banks, who traditionally have been IBM customers. Said David Dvorchik, a technology analyst at Royal Oak Securities Corp. in Toronto: "Genac will now be able to compete with any body."

—ANN WALSHLEY in Toronto

BUSINESS WATCH

The king of the 'Junk bonds'

By Peter C. Newman

Just when Alberta's financial institutions appear to be about as safe as houses for stray funds on gambling comes in Las Vegas, a Calgary-based company has launched a bold scheme to turn itself into a billion-dollar holding trust by the end of this year.

Born by a brandy verbalistic named Gerald Penner, Financial Trustco Capital Ltd. hopes to achieve this fiscal miracle by astute exploitation of what Penner delicately refers to as "junk-yield securities." On Wall Street such monetary instruments are known as "junk bonds" because they are issued by companies whose credit ratings have been reduced.

"Our new financing," I was told by Penner during an interview recently, "gives us the ability to become a \$4-billion company. We are probably the most underleveraged financial institution at the moment."

Another factor working in Penner's favor has been the downfall of two Alberta banks and a reduction in local lending operations by the Big Five. "We have been very fortunate to have the capital to grow at a time when most of the indigenous institutions are either in trouble or at the consolidation phase of their cycle," he says, interpreting that to mean that the spread between the cost of money and the price it is loaned out at has never been wider, because most of the surviving capital pools are using their profits to soak up bad loans instead of making new ones.

Revenues of Penner's company have grown almost 100 per cent over the past three years and are expected to double in 1985. Current assets total more than \$825 million, set earnings for 1984 were up 85 per cent over last year. "We have built an interesting company at a difficult time," he says in his careful way, "and in a space in which most big players cannot be taken over as easily as was Canada Trust." "I myself control about 44 per cent, and other directors own another 18 per cent."

One reason for Penner's self-confidence is that Toronto's board-owned security at the leading trust firm stands ranks as a leader of Alberta's Jewish community. There is William Terner, a Mormon bishop who doubles as a successful money manager, Bill Horning, a partner in Edmonton's largest establishment law firm, Doug Horner, a Calgary oil man, Jack Mervin, a Muskoka commissioner who served in Can-

ada's New York government, Keith Hartley, a New York merchant banker, and Heather Houston, the superwoman of Canadian finance, who acts as the company's strategist.

Financial Trustco's guiding spirit has included the Bay Street wife Andy Sarlin and Gerald Schwartz, the head of Can Capital Corp., a Toronto-based leverage-buyout fund which recently ac-

quired control of the Canadian arm of the American Can Co.

It was Schwartz who introduced Penner to Drexel Burnham Lambert Inc., the New York merchant bankers who specialize in aggressively marketing the so-called "junk bonds." Drexel spent six months investigating Financial Trustco before agreeing to raise \$55 million—and charged a hefty 8.5 per cent interest for the deal. To pay for it, Penner bought an offshoring portfolio of junk bonds that yields 15 per cent, the lowest leverage has allowed him to finance a series of corporate buyouts.

When Estem/Roy Trust Co. was closing down its network of rural branches in Western Canada, Penner picked up three which had \$50 million in deposits for \$30,000 by promising to keep on all existing employees.

The 40-year-old Penner appears to have arrived on the Canadian business scene in full regalia. He never tramples the fact that one of his first ventures was running 500 bubblegum machines in and around Montreal. He purchased Financial Trustco, his trust company, from George Mass in 1981, when it was a sleepy Ontario-centred corporation with one branch in Alberta and 90 per cent of its assets in Toronto.

Penner moved to Calgary in 1976 to work for Burns Foods Ltd. after selling his Montreal catering business. Caught up in the tail end of the Alberta real estate boom, he agreed to manage \$1 million from half a dozen Montreal businesses. Having sold real estate developer Victor Masliah, Tom Birks of the jewelry family and Dan Kippenhan, a Montreal lawyer) who were trying to get their money out of separatist-tossed Quebec. "We made a couple of million dollars selling things started," he recalls. "I didn't need to be very smart to turn a profit here in those days."

To make the group bigger, Penner purchased from the British investor Peter Lowenstam a company called Turner Valley Holdings, which owned a mine and ran Ham's dealership and some five-odd oil rights. It was this base that gave Penner and his colleagues the cash to buy Financial Trustco Capital from Mass. "We started to get aggressive," he says, "and put another \$100 million of assets on the books. We grew too hot—but were lucky because when we wanted to get into Edmonton we couldn't find a manager and never did get into some of the outrageous expansion there." Only 80 per cent of Financial's current loans are in Alberta.

The Penner group has also acquired four small petroleum groups along the way—Vivian Developments Ltd., Andax Gas & Oil Ltd., Calma Resources Ltd. and Westmont Resources Ltd.—and is currently in the bidding for a failed investment in the U.S. Penner plans to apply for a Schedule C bank status and wants to interlink its company's shares on the American Stock Exchange. He is also filing a prospectus with the Ontario Securities Commission to establish a marketing instrument that will increase Canada's first high-yield bond fund.

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Trouble in the Blessed One's paradise

Early last week about 5,000 followers of Bhagwan (Blessed One) Shree Rajneesh held a celebration at their Oregon commune. Dressed in the red, pink and purple colors favored by their master and wearing his picture on necklaces, they hoisted him on a hilltop crematorium. There they chanted, danced and sang while they burned 5,000 copies of *The Book of Revelation*—the bible of their cult. But far from expressing dismay at the ritualistic burning of their religious teachings, the commune members were ecstatic. Said one devotee who watched the celebration: "It's great. Far out. Things have never been better."

But the ceremonial burning was just one bizarre development last week in a series of events that have beset the controversial commune. A week earlier Ms. Anand Sheela, the former personal secretary to the Bhagwan and spokeswoman for the cult, had fled to West Germany, accompanied by 15 other commune leaders. In the aftermath, the Bhagwan accused Sheela and her accomplices of hugging his bedchamber, funneling \$10 million of commune funds into private Swiss bank accounts, plotting to poison a nearby town's water system and kill his personal doctor, dentist and caretaker. By burning the book, which was published at Sheela's suggestion, the commune's new leaders said they were finally repudiating her corrupting influence. And at the same time, they burned her flowing red robes.

But then the 55-year-old Bhagwan declared an end to the religious itself. He told his followers last week to shed their colored clothes and necklaces and to stop worshipping him. But it became clear that the gesture was designed as part to partly neighbors and state authorities who have taken issue with the cultists' behavior. In another move to improve relations with outsiders, one of the guru's spokesmen, Swami Deva Sagar, said that the nearby village of Antelope, which the cultists took over in 1981 and later renamed Rajneesh, would regain its original name. He added that the reforms might induce the Oregon attorney general to drop a lawsuit charging that the incorporation of the commune as the city of Rajneeshpuram was illegal because of zoning violations and because it allegedly violated the constitutional separation of church and state.

As a further gesture of reconciliation, commune members offered to aid in the investigation of Sheela's alleged crimes,



Bhagwan: a fleet of 90 Rolls-Royce cars attracts to his followers' seeking faith

offering evidence and witnesses. But as Oct. 2, 70 policemen from the Federal Bureau of Investigation and the Oregon State Police swooped down on the commune in a surprise raid, leaving behind with volumes of business and medical records. Commune leaders said they feared that the police were using the investigation to build a case to deport their Indian guru and leave the commune out of Oregon. Said Bhagwan: "These people are trying to destroy the commune and I will not allow it."

Bhagwan evidently already had abandoned his earlier pledge to denounce the religion. Indeed, religious life on the commune had barely changed since the ceremonial banter. Bhagwan's followers continued to wear their robes and necklaces, and every morning at 8:00 they filed into the commune's meeting hall to write and chant during three daily discourses with the guru. Bhagwan videotaped and ordered copies of his 300 other books as well as Bhagwan paraphrases on

needed to sell briskly at kiosks. Despite the cult's convulsions, it was clear that state officials and neighbors fighting to avert Bhagwan's followers still faced formidable opposition. Rajneeshpuram, which sprung out of the desert sagebrush in four short years, is run by 15 corporations, and its worth is estimated at as much as \$275 million. It has more than 40 businesses, including pizza parlors, a hardware and a greeting card store. Many of its citizens are well educated and affluent; they are

Rajneesh checking cars, drink alcohol freely and fly on Air Rajneesh's aircraft. At last count, cult members had given their leader 90 Rolls-Royce cars. And last week they avoided no inclination to abandon either their guru or the bedeviling wonderland he has created for them. Said one commune member at a friend's funeral: "He loved life, he loved his credit card, but most of all he loved Bhagwan."

—BRIAN O'HARA is
Rajneeshpuram

Sheela's corruption



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ENVIRONMENT

Report on a water crisis

"Take freedom, water must not be surrendered or be allowed to slip away from us in dribs and drabs. Hence a strong statement and policy with strict laws will lead to maintaining this increasingly valuable resource."

That plea for vigorous federal action to protect Canada's water by the Fisheries Council of British Columbia echoed many of the presentations to the three-day federal inquiry on water policy during 33 days

affairs. Its task to review the 56 recommendations of the water policy inquiry. Established by the former Liberal government under the chairmanship of Peter Pearce, a University of British Columbia resource economist, the inquiry swiftly discovered that Ottawa did not have a coherent policy on water management. Instead, it declared in its final report, "Federal policies have evolved over the years in a piecemeal fashion, responding to problems and needs as they emerged."

One example of the lack of co-ordination, the report noted, is that freshwater resources are largely under the jurisdiction of the provinces, while 19 separate federal agencies are directly involved in such matters as navigation and water-quality monitoring. As a result, extensive federal-provincial co-operation is needed to achieve such inquiry objectives as a law setting minimum national standards for drinking water. Noting that nine million Canadians still live in communities lacking sewage treatment plants—including Halifax and Montreal—the report called for increased federal spending on municipal water facilities. And while the inquiry warned of threats to Canada's



Pearce, McMillan: waste, neglect and piecemeal policies

freshwater supplies, it did not entirely reject the idea of large-scale water exports to the United States. Declared Pearce: "We are not in a position to say there will never be a proposal for water diversion in this country that will be in the public interest." McMillan also refused to rule out huge diversions but he noted that there was no current U.S. demand for Canadian water.

During the inquiry's public hearings, Pearce said there was "widespread anxiety" over such issues as acid rain and chemical pollution of the Great Lakes. And when McMillan himself described water management as "the most neglected issue in this country," Canadians may soon join the B.C. Fisheries Council in demanding more than a bureaucratic review of the subject.

—MALCOLM GRAY in Toronto

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A hero in the war against AIDS

When Rick Hudson died in his sleep at his Beverly Hills home last week, he left a legacy of compassion that may outlast his achievements as an actor. The first celebrity known to have succumbed to AIDS, or Acquired Immune Deficiency Syndrome, the Hollywood star became a symbol of courage for those fighting the deadly disease, which has claimed about 7,000 lives in the United States and 100 in Canada. When an emaciated Hudson disclosed his condition while seeking treatment in Paris last July, he enlightened public attitudes toward AIDS. And last month he inspired a group of Hollywood actors led by Elizabeth Taylor to stage a benefit dinner which raised \$1 million for AIDS research. Although Hudson was too sick to attend, he prepared a message: "I can at least know that my performance has had some positive worth." Minutes after the 56-year-old actor died last week, Taylor said "I love him, and he's tragically gone. Please God he has not died in vain."

Hudson, who epitomized the clean-cut American male, was stricken by an illness that ravaged his handsome features and shattered his popular image. And with the reports of his illness came the inevitable public exposure of his homosexuality. Still, despite a storm of ensuing smog, Hudson emerged as a heroic figure during his final days by making himself a rallying point in the battle against AIDS. He set up the Rick Hudson Foundation to attract funds for research into the fatal illness and donated \$500,000 to the cause. Stud actor Lesley Brown, who co-starred with him on television's *Dynasty*. "As fine an actor as Rick Hudson was, I feel his greatest gift to the world was in his acknowledgment of his disease and his willingness to educate people and make their consciousness aware."

Hudson was one of the last male movie stars to be manufactured by the Hollywood studios. Born Jay Byrd Jr. in Winnetka, Ill., he served on a navy airplane mechanic in the Second World War and later became a truck driver. Dreaming of stardom, he began finger-painting outside the gates of Hollywood studios hoping to be noticed. Eventually, as agent, Henry Willson,



Hudson, Taylor in *Giant* (crisis story)

discovered the young man and groomed him for the screen. Wilson had him change his name and say his birth name and put his six-foot, four-inch frame through a rigorous training program which included weightlifting, dancing, acting, singing, fencing and riding.

Effort for his looks, Hudson was not a natural actor. In his first movie, *Fighters Squadron* (1949), he required 38 takes to deliver a single line. But over the course of his career, which spanned 68 films, his talent matured. He became a full-fledged star during the 1950s, when director Douglas Sirk cast him in a series of brooding melodramas. In the first, *Magnificent Obsession* (1954), he starred opposite Jane Wyman as a drunken playboy who

blinds a woman in a car accident and becomes a surgeon in order to restore her sight. Although Hudson rarely won critical praise for his acting, he received an Oscar nomination in 1954 for his role as a cattle rancher in *Giant*, whose cast included James Dean and Elizabeth Taylor. That same year theatre owners voted him America's favorite male movie star. U.S. film critic Richard Schickel described him as "an everyman who was also a nobody—a kind of generalized dream American."

Hudson's popularity peaked with his roles as Dean's lover in a string of light comedies. Although the cynicism of these movies—*Pillow Talk* (1959), *Love Came Back* (1961) and *Said Mr. No* (1964)—now seems dated, Hudson's romantic charm was slipper-smooth. And as an obscure example, *Dog* and Hudson became symbols of romantic innocence in a culture that was quickly coming of age. During the 1970s Hudson switched to television and starred for six seasons as a police commander with *Star 81*. James in *Life-Makes-and-Wife*. In 1980 he made his final feature film, *The Mirror Crack'd* with Elizabeth Taylor, adapted from an Agatha Christie mystery.

By the time he appeared in *Highlander* (1986), his last screen role, he already looked gaunt from the encroaching effects of AIDS. Hudson had always been obsessive about physical fitness. After his death Dean Cain said "I don't believe it. All these years of working with him, I never saw him get bulky and unattractive."

Hudson was well-liked in Hollywood, but extremely private. His only marriage, to secretary Phyllis Gates, ended in divorce in 1958 after only three years. He lived alone in a Hollywood mansion that housed more than 6,000 books and a huge collection of antiques. Once asked if he would relive his life any differently, Hudson declared: "No, everything would stay the same. However, if I had not chosen acting, I would have become a gardener. I love to watch things grow and bloom." Although the film industry had nurtured Hudson as a male sex symbol, he projected sensitivity rather than machismo. In the end, he handled his own fatal misfortune with a heroism surpassing anything that Hollywood could invent for him.

—ERIAN B. JOHNSON in Toronto with LARRENCE STOKES in New York

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Lawrence Harris's *Canadian Jungle*: Intimate view of unspoiled nature and the mystical realm

ART

Painting heaven and earth

In the history of Canadian art, the members of the Group of Seven are the indisputable cultural heroes. Driven by fierce national pride, they created works that became lasting symbols of the country's natural beauty and ferocity. The image of the Group of Seven as artistic frontiersmen seems fixed in the public imagination, but two recent shows indicate that at least two members went far beyond that role: *Aino Bushi Monu*. The *Later Work of Lawrence Harris*, and *Canadian Jungle: The Later Work of Arthur Lismer*, are on view at the Art Gallery of Ontario, demonstrate that the artists explored more allegorical territory after the group's final exhibitions in 1933.

Even in the heyday of the Group, Harris and Lismer differed greatly in style. But the exhibitions, which are scheduled to tour across Canada, reveal that their stylistic paths diverged even more dramatically during their later years. Lismer, who spent much of his time teaching until his death in 1916 at age 38, focused on extensive, intimate views of the natural world. Harris, who died in 1970 at age 84, pursued his spirituality through abstract art. Indeed, his

show's title, *Aino Bushi Monu*, refers to the three stages of enlightenment in shamanism. The mystical movement was central to Harris's life and work, although he denied its influence in his final years. Of all the works of the Group of Seven, Harris's later output was the most dramatic. The artist is best remembered for his elegant northern landscapes, but the exhibition makes clear that those works served as bridges, transporting Harris out of the external world into a transcendental realm. Harris had a lifelong obsession with mysticism, and his treatment of their form is a key to his artistic evolution. During the 1930s he painted them as majestic icons of natural grace. But by the 1960s they had become a series of lines and swirls suspended in space, as in *The Spirit of Beowulf* (1967-69). In *Northern Image* (1969) Harris sets a sort of cosmic geologist, dissecting a mountain's inner core and exposing its layers of rock.

Harris's penchant for the abstract often resulted in works with wandering lines and crystallizing forms, which give them an awkwardly futuristic look. The show's title work (1968), which re-

sembles a trio of nonfunctional knives painted on plywood, appears to be little more than spiritualist doodling. But in several of the later works included in *Aino Bushi Monu*, Harris adopted a looser, expressionist style that seems almost contemporary. An untitled work completed in 1968, two years before his death, depicts an abstracted yellow face floating in a vibrating atmosphere of equally intense yellow paint. The painting, which sits on the threshold between the material and the spiritual realm, is a stunning achievement.

Although Lismer experimented with abstract art, he was ultimately more conservative than Harris. The *Canadian Jungle* shows that he was most successful when his work resulted from close rather than panoramic observation. The paintings produced when he was in the Maritimes in the early 1950s tend to be dull, except when he turned his eye to the seaside docks. With *Cape Breton Island—On the Wharf* (1951), he found subject matter that suited his composed imagination. In later seas, boats, buoys, coils of rope and buoys.

In the early 1950s, when Lismer began visiting the West Coast each summer, he further developed that intensive style.

In such paintings as *Drunk* (1954), he depicted the sensuality of textures as the shore and the water sang on shells and rocks. Lismer constantly vacillated between restraint and excess, but when the latter won out, as it did with the exhibition's title piece, the results were often dazzling. The painting is a riot of crawling shapes, clumps of moss resembling caterpillars, and exposed tree roots are intertwined like mating snakes. In other works, including *And Archais* (1964) and the *Shenik Cabbage* series, Lismer again portrayed nature as walled and forced.

Harris painted the same wilderness that inspired Lismer, but he transformed it in his rambling imaginations. Lismer preferred to remain earthbound, pitching his artistic tent in a rich, dark and almost suffocating place. In something like *Shenik*, Harris and Canadian *Jungle*, Dennis Reid, the Art Gallery of Ontario's curator of historical Canadian art, has provided important new glimpses into the careers of Lawrence Harris and Arthur Lismer—and thus—added two important chapters in the history of Canadian art.

—ROBERT EVERTY



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Middle East medicine

From the war-torn streets of Beirut to isolated villages in Morocco, millions of listeners regularly tune in their radios to receive one of the most popular programs in the Middle East. Every week for the past 14 years Ilana Barzi, an Iraqi-born Jew, has described the latest treatments for medical disorders ranging from infertility to AIDS. Indeed, the name—and the precise tone—of the 64-year-old host of *Doctor Ilana's Morning* are widely recognized across the Middle East—except in Israel, where the state radio network, Voice of Israel, broadcasts the program in Arabic. The network uses a powerful 1.5-million-watt transmitter to broadcast the 30-minute program to such countries as Syria and Kuwait—nations that are still technically at war with Israel. Declared veteran broadcaster Barzi: "Maybe medicine will break down barriers between our countries and in some small way pave the road to peace."

Among the most prominent—and regular—listeners of the Arabic-service broadcasts originating in Jerusalem are



Barzi: Israeli medical advice—in Arabic

Syrian President Hafez al-Assad and Lebanese President Amal Gemayel. And director Edward Shehokh and 13 of the 500 letters the service receives each month from Arab countries—including numerous love letters directed to female news anchors—more than half the mail is addressed to Barzi. Said Shehokh: "Besides our future newscasters, here is our most popular show."

Barzi uses a single format to assist her audience: every week she interviews doctors about the latest developments in Israeli medicine and then urges listeners to send her letters detailing their medical problems. Then she transmits the queries via Hebrew and solves them in a special slot for an initial diagnosis before broadcasting the advice in Arabic. Inevitably, the assistance provided as the program is limited, but Barzi passes the cases off the air. Indeed, she says that she has helped arrange personal treatment for thousands of Arabs—all of whom have traveled to Israel at their own expense.

Barzi, who emigrated to Israel 35 years ago, first thought of using radio to treat medical problems in 1971, while she was under care for an irregular heartbeat in Jerusalem's Hadassah Hospital. At the time, she was a secretary for the Arabic service and she noticed that Israeli technology had produced most of the highly advanced medical equipment being used in the newly built cardiac unit. Said Barzi: "When I was a child, I knew our Arab neighbors used to marvel at the medical accomplishments taking place at the hospital. As a result, I thought that my former neighbors would be interested in this kind of show."

Well, even Barzi was surprised by the reaction to her first broadcast after she easily convinced Voice of Israel officials that a program highlighting Israel's postmilitary accomplishments would find a receptive audience. She had originally invited listeners to write if they had further questions about the program but she hardly expected the 80 personal pleas she received in the first two months from Arabs in other states in the region—even though Israel had no direct mail connections with most Arab countries. Israel and Egypt now have postal links, but listeners in other Arab nations must still send mail to Jerusalem through Geneva or other European capitals.

Despite that inconvenience, Barzi's weekly mail address receives heart-rending accounts of human suffering. Eye, skin and fertility problems are among the most common topics. One recent correspondent, a 22-year-old Egyptian woman who was still childless after six years of marriage, wrote, "I have not the ability to describe the suffering and pain which I and my husband

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suffer among animals and birds enjoy parenthood while we cannot." Flashed a 30-year-old Syrian woman. "These young my letter to a doctor in Israel—I am ready to come." Added the woman "I am grateful in my life. I have been getting physical therapy, but I still have very bad pains. I heard you speaking about achievement in rehabilitation in Israel and I want to know if I can be treated in your hospital."

Typically, the request was mailed from London and did not reveal the woman's full name. In return, Bassi responded in the note she cautiously sent. Refusing to another letter, she said "To the hard without women in Kuwait the doctor thinks he can treat you here. Please send me your passport details." That young man had just passed another hurdle in his attempt to regain the use of his arms and legs after studying complete medical records of neuro-muscular, Israeli doctors accept only those cases they think they can help. Said Dr. Yasser Shimon, a dermatologist at Jerusalem's Eder Haim Hospital: "There is a new generation of very good young doctors in the Arab world, but not everyone has access to them. The cases that are coming to us are usually the most difficult from both a diagnostic and a therapeutic point of view."

And simply getting to Israel requires Arab visitors to embark on a circumlocution and expensive journey. In many cases they have to travel to a European city, obtain a visa from an Israeli embassy and then fly to Tel Aviv's Ben Gurion Airport. Others go to Jordan, using the Allenby Bridge 25 km outside of Amman to enter the Israeli-occupied territory on the West Bank of the Jordan River. Often, Bassi is there when she has obtained from Israel's ministry of the interior and escorts the foreign patients to hospital.

A photograph in the broadcaster's office wall, taken several years ago, serves Bassi as a daily reminder of success. The photo shows a young Syrian woman with her doctor after treatment for Mediterranean fever, a disorder characterized by high temperatures and intense abdominal pains. Said Bassi: "She stayed in the hospital for a week and came out fine. Before she and her father left, they insisted that a photographer come and take this picture."

The discreet medical pilgrimages from states that have warred with Israel closely indicate that the country has one of the best medical systems in the Middle East. And Bassi says she does not foresee any Arab government blocking the visits in a fit of nationalism. Said Bassi: "Disease recognizes no boundaries—and neither should medical care."

—LEENA FRECHT in Jerusalem



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Terror!
(Global, Oct. 17 and 21)

Terrorism and television make ideal partners, each willing to exploit the other's interest in the sensational. Unlike a war, which can grind on for months or years, a hostage-taking or a hijacking is well suited to TV's short attention span. With *Terror!*, Canada's Global Television and Britain's Channel Four Telefilms have compressed 18 years of international terrorism into a package of "greatest hits"—including the 1970 mq kidnapping crisis and last year's Armenian riot on the Turkish Embassy in Ottawa. Although the dramatic footage speaks for itself, the producers have embellished it with a lurid commentary and machine-gun-paced editing. Narrator Arthur Hill repeatedly underlines the obvious with such statements as, "These blood-filled pictures show the horror that terrorists willfully reflect."

At the beginning of the two-part program Hill's announcement that certain scenes may be unsuitable for children sounds more like an enticement than a warning. One graphic segment shows two Armenian "snipers" being shot by members of their own movement in a Turkish field. Apart from such vigorous glimpses of violence, the program contains exclusive interviews with members of terrorist groups, including the Palestinian Black September and the Japanese Red Army. One subject is Wafa Yusef, a 29-year-old and bespectacled German who helped organize Black September's massacre at 11 Israeli athletes at the 1972 Munich Olympics. Says Yusef: "I accept all the things that I did. I have no regrets."

Understandably, the interviews are pared down to statements of what facilitate rather than enlighten. And when the program finally begins to analyze the politics of terror, it only betrays its own ideological bias. Shadowy detectors claim nearly all terrorists are controlled by the U.S.S.R.—yet the program makes no mention of covert activities by the U.S. Central Intelligence Agency. The producers of *Terror!* have worked hard to gather some extraordinary footage, but the result is a shameless collection of cheap entertainment and Cold War propaganda.

—DEAN D. JOHNSON



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JAGUAR
A BLENDING OF ART AND MACHINE

The undying vitality of a lost culture

It began modestly in a private collection of artifacts, housed in a single building in the ancient city of Prague, the Czechoslovakian capital. But during the Second World War the Prague Jewish Museum's collection—some of it now on display at the Royal Ontario Museum in Toronto—quickly expanded, spilling out of its quarters to fill eight historic buildings in Prague's Jewish quarter and more than 50 warehouses throughout the city. That rapid growth of artifacts from Bohemia and Moravia was the result of a monstrous undertaking: the artifacts had become the raw material of what Adolf Hitler planned as a "museum to an extinct race"—a propaganda institute to justify his "Final Solution to the Jewish Question."

To that end, Nazi agents confiscated more than 140,000 books, paintings, religious treasures and everyday objects from Jewish homes and synagogues throughout Czechoslovakia. As more Jews went to their deaths in concentration camps, their possessions poured into Prague by the thousands, and scores of Jewish curators, working under Nazi orders, struggled to sort and catalogue the treasures. Almost all these curators followed their counterparts into the camps. But the exhibition with which the Nazis hoped to reduce Europeans' Jewish never took place. The stored memories of Czechoslovakia's Jewish community etched the Third Reich and are now providing a haunting reminder of that culture's undying vitality.

After years of effort U.S. and Czechoslovak curators assembled the collection into a travelling exhibition which they called *The Precious Legacy: Jewish Treasures from the Czechoslovak State Collections*. The show toured U.S. museums for two years, it will remain at the Toronto museum until Nov. 24 and will visit museums in Montreal and Calgary before returning to its permanent home at the State Jewish Museum in

Prague. Together, the 380 items in the exhibit document more than a millennium of Jewish settlement in Bohemia and Moravia—two of three ancient regions that now constitute Czechoslovakia—and represent the oldest con-

tinuing Jewish community in Europe.

In the exhibit's first four sections, a conceptual picture of a lost Jewish culture emerges from an eclectic mixture of fine art, magnificent religious artifacts and the simple implements of daily life. But it is in its final section, titled "Tragedy and Transcendence" that *The Precious Legacy* becomes least conventional and most moving.

There, the rich artifacts give way to a handful of simple objects that were made by inmates of Terezin, a concentration camp near Prague where 32,000 Jews died and from which 66,000 more were transported to other death camps. The final item in the exhibition is a child's drawing depicting the wedding of two prisoners. Rudolph Talmann, who initiated the exhibition, "There is nothing more eloquent than that lost wedding." Added Anna Cohn, the exhibition's project director: "That is one of the most powerful statements of hope I know, considering that it was created in a situation of utter despair."

For Talmann, who with Cohn is currently raising funds for a major Holocaust museum and memorial in Washington, *The Precious Legacy* represents a personal as well as a moral triumph. He first visited Prague's Jewish museum in 1966, where a curator told him that the display represented "only a thousandth" of the museum's total collection. Talmann spent the next 12 years trying to gain access to that collection, and his first sight convinced him of the need to bring it to the New World.

Talmann said that the main reward for that effort is the reactions of visitors. In one case, a woman who had survived Auschwitz travelled to Washington to see the exhibition but then was reluctant to view it. Talmann arranged a special private showing for her. He said that she wept on her knees and a half hour with tears in her eyes, but smiling. Then, she said, "You know, this has allowed me to go home again." □



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A haven from execution

The 34-year-old convicted killer from Pennsylvania has been a prisoner of the Canadian government since April 28. While he awaits a decision on his controversial case, he has been playing chess and studying algebra and French. But Joseph Kindler, whose arrest officers caught in Red Adair, Que., seven months after his escape from the Philadelphia Detention Center, is facing the death penalty in the United States. Indeed, U.S. officials filed an extradition request with the Canadian government on July 3. But efforts to extradite him to the United States, and Canada—which abolished the death penalty in 1976—are demanding that the government exercise for the first time an article in the 1956 Canada-U.S. extradition treaty which allows Ottawa to ask an arrestee that crime is extradited to any of the 38 U.S. states where the death penalty exists will not be executed. Declared Ann-Marie Jones, Kindler's Montreal lawyer: "The death penalty has been abolished in most civilized countries, so we should not be shy about not sending somebody back."



Jones: deciding a life-and-death matter

Kindler is not the only U.S. fugitive in Canada now facing extradition and possibly execution. Charles Ng, who has been charged with two counts of murder in California—where the death penalty exists—is currently under arrest in Calgary. But if extradited, Ng will be returned to the United States to stand trial. Kindler has already been convicted in 1983 for being found guilty of kidnapping and murdering his 52-year-old burglary accomplice, David Bernstein, to keep him from testifying against him. Then, when the jury recommended that Kindler be executed, he escaped from prison, and his father allegedly then drove him across the border into Canada.

Since the U.S. extradition request on July 3, Kindler has sought additional judicial assurances against extradition. But during his extradition hearing in August, Quebec Superior Court Justice Pierre Plouffe ruled that there was sufficient evidence to extradite Kindler—and that it was not within the courts' jurisdiction to enforce Article 6 of the charter. The reason that he gave: Article 6 calls for deportations to be negotiated through diplomatic channels, and the issue is political and not judicial. As a result, said the judge, the issue must be decided by Justice Minister John Chisholm. Indeed, Quebec Superior Court Justice Benjamin Greenberg ap-



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held that decision on Sept. 26 although he stipulated that Kinder was still appeal to the courts if he decides that the government did not give him a fair hearing.

For his part, Crooke, who says he is opposed to capital punishment, has not indicated what position he will take on the Kinder case. Said the minister: "I am going to be guided by my own intelligence and conscience." But such groups as the Canadian section of Amnesty International are pressuring him to exercise the Article 6 option. Said Amnesty International's Brian Cawson: "We want to make sure Crooke acts for conscience." Civil libertarians say that it would be hypocritical of Canada to send Kinder to his death, even indirectly. Declared Henry Schwarmchild of the American Civil Liberties Union: "Kinder should be punished—and punished severely." But he added that the punishment should not approximate the original crime.

U.S. officials have said they will not guarantee that Kinder's death sentence will be suspended if he is extradited. They add that allowing Kinder to escape the death penalty would be harmful to the U.S. justice system because were people would be hesitant to testify as witnesses. And Richard Di Benedetto of the Philadelphia district attorney's office says that if Crooke's deal does not agree to Kinder's extradition it extrajudicial Canada could become a haven for U.S. criminals. Added Di Benedetto: "If they know they can go somewhere and possibly avoid the death penalty, they are not going to hesitate." Read Pauline Brown, Conservative MP for Ontario's Scarborough Centre riding: "We need to send a strong signal that Canada will deal swiftly and expeditiously with any convicted criminal who tries to take refuge in this country."

Meanwhile, lawyers for the 34-year-old Ng said that they are awaiting Crooke's decision with great interest. Ng, the alleged of a major North American militant last summer after he was implicated in the sea-and-torture deaths or disappearance of so many as 25 people in California, was captured on July 6 by security guards in Calgary after an alleged kidnapping attempt during which one guard was shot. But although Californian officials want Ng to be extradited to face charges in that state, Canadian officials maintain that he must first be tried for attempted murder, robbery and illegal use of a firearm in connection with the Calgary incidents. After that, they say, Ng can be extradited. Indeed, Crooke's decision in the Kinder case could be a matter of life and death for at least two American citizens.

—KAREN SCHROEDER in Ottawa



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PRESS

Profit from Pravda

With its long articles detailing ideological purity in Soviet youth and outlining economic goals in exhaustive detail, *Pravda*, the official Soviet Communist Party newspaper, is unlikely to make serious inroads in the North American newspaper market. But when current editions rolled off a press in St. Paul, Minn., during the summer, they suddenly became objects of fascination. The U.S. newspapers were identical to the 167 million copies distributed in Russian every day—with one difference: the words on their pages were in English.

Later this fall *Pravda* (the name translates as "truth") will become available in English daily, about 10 days after the appearance of the original Russian editions. But the Communist Party will have nothing to do with the new version. Instead, it is the brainchild of Charles Cox, 61, a St. Paul publisher who abandoned retirement two years ago to take up the project because he thought Americans should know more about the Soviet Union. Cox's company, Associated Publishers Inc., is now busy working the kinks out of prototypes and is selling 800 annual subscriptions at a rate he said he never anticipated. Said Cox: "This is going to open a window on Russia, and we are just amazed at the enthusiasm for it."

In fact, North American interest in Soviet affairs has been increasing rapidly, according to Laurence Black, director of Charles University's Soviet studies institute in Ottawa. Said Black: "This will be very useful. The Soviets know a lot more about us than we know about them." Added Cox: "This would not have been possible 10 years ago. The interest is growing that quickly."

A seasoned capitalist, Cox will not reveal how much he has spent so far or even the number of translators he has employed. Originally, Cox expected that only universities, libraries and government agencies would be interested in the publication. But his diverse subscribers include medical offices, travel agencies, computer companies and a amateur Kremlin watchers. In fact, Cox is so encouraged by the early response that he says he is now dreaming of a day when the entire Western world will read a newspaper that speaks from the heart of the Kremlin.

—PAUL BRIDGEMAN in Toronto

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SCIENCE

Atoms in collision

Some scientists have compared the Superconducting Super Collider with the Great Pyramid of Egypt. But Nobel Prize laureate Sheldon Glashow of Harvard University, for one, called the proposed machine "one of the most audacious projects ever conceived by our species." Certainly, the sheer physical size of the project appears to justify the superlatives. A large concrete tube formed into a ring 30 to 60 miles in circumference, it will cost the U.S. permanent use of 10 to 20 billion (U.S.) to build. But unlike other great public structures, the underground collider will be invisible to ordinary people. And its function—accelerating subatomic particles travelling at close to the speed of light—will remain incomprehensible to all but a tiny scientific elite.

The collider is still at least two years from construction, but its proponents already are gracing its virtues in anticipation of a tough congressional budget fight. Because the machine will create "events" with 30 times more energy than current colliders are capable of producing, they say that it will help to shed new light on how the universe works and what holds it together. Saul Stenlund, professor emeritus at the University of Toronto, says: "The whole high-energy physics community feels that this is a logical and necessary next step."

Many scientists say that the conventional theories of physics, which were developed with the help of smaller colliders, will break down when tested with the big machines. But for the most part, Michael of the University of Toronto, a leading theoretical physicist, noted that the new machine cannot guarantee the emergence of any "new physics." He said that physicists recently became excited about that possibility because of "all sorts of weird events" at the world's largest collider near Geneva, Switzerland. But, he added, "the latest news is that they didn't see anything at all and that the new physics doesn't exist."

Wojcik agreed that the new machine will promise no certain breakthroughs but agreed that building it is still worthwhile. Said Wojcik: "It will help answer the questions that all civilizations have been asking for thousands of years. Part of the soul of this country would be lost if we stopped asking."

—JOHN BARBER in Toronto



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BOOKS

An artful observer of life

OVERHEAD IN A BALLOON
STORIES OF PARIS

By Marie Gaillet
(Meridian of Canada,
200 pages, \$19.95)

In 1950 Marie Gaillet left her job on the now-defunct Montreal Standard and moved to Paris to write fiction. She was told an interviewer that she arrived in Europe believing that "a new kind of civilization was going to grow out of the ruins of the war." It was a hope that she shared with many of her contemporaries. Since then, in fiction of unassuming intelligence and beauty, Gaillet has explored the intertwined processes of life-building and disillusionment. In *Overhead in a Balloon* she deftly examines the everyday world in 11 tales of Paris. So sure is her touch that even a briefly sketched arrangement of living room furniture evokes the ethos of an entire society.

Gaillet is less a seclusive novelist than a detached observer of human comedy. Bourgeois or solid citizens, her post-war Parisians sit through the subtle of shattered expectations. Paradoxically, they cling fast to the minutiae of human wishes despite the overwhelming evidence of artistic, philosophical and religious wreckage. In "The Assembly" elderly tenants, considering the purchase of a security system for their apartment building, blame either socialists, Algerians or youth for the decline from a comfortable past. Gaillet does not condemn their racism but she has compassion for their fear. In the title story Walter, a wafle searching for salvation, is constantly betrayed by the people as does he condemn. In his sole flash of insight he realizes how vital fiction is and declares, "It lets people see how they imagine they live."

Of all Gaillet's heroes only Edward exists without the comfort of despairism. In a cycle of four tales he wryly recounts the deflection of his hopes. While undergoing espionage training with the Resistance, Edward is required in a motorcycle mishap and must spend the rest of the war assigned to a desk "with no equipment to speak of—not even a typewriter." Gaillet then serves verily in a darker form of tragedy. For all its matter-of-fact description, Edward's account of his second wife's funeral is almost a wall of anguish. "From the moment when her heart stopped, there has been nothing but silence." Edward's hereinafter lies in his honest response to his generation's experience, he

has abandoned everything except personal responsibility.

Gaillet's other heroes stick to their values and delusions with shared poise. In "Spook's Idea" an opportunistic gallery owner decides to resurrect a minor prewar painter, whose distillation with fascism, once a dramatist, can now be palmed off as romantic. But Spook first has to invert the misgivings from the painter's widow and then come with his conceit in "Grilles and Piche" Grilles, an intellectual author, struggles for 20 years with Piche, a public treasury auditor, over his failed tax returns. Even so he worries about literary digressions, Grilles transforms the one-dimensional Piche into a series of fictional heroes, immortalizing them in best-selling novels.

In her clear, unflinching stories, Gaillet assumes a multiplicity of perspectives showing life's glow and its true colors. She is one of her characters, explaining why he stopped writing fiction: "I don't know how to make life seem worse or better, or how to make it sound true." But Gaillet herself possesses a courage that enables her to take life's measure. In *Overhead in a Balloon*, a most compassionate collection, she is kind to her characters' fears and fantasies, even as she deflates them.

—DEBBIE KENDERSON



Gaillet compassionate view

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A battle for the airwaves

CLOSED CIRCUITS: THE
SIEGE OF CANADIAN
TELEVISION

By Herschel Hardin
(Douglas & McIntyre, 240 pages, \$15.95)

Controlled Circuits is a damning inquiry into the betrayal of public trust in the realm of Canadian broadcasting. After excavating the finest print in countless transcripts and reports issued by the Canadian Radio-

television and Telecommunications Commission, Vancouver author Herschel Hardin has demonstrated beyond any reasonable doubt the manipulation of that regulatory agency by the nation's private broadcasters and cable operators. As an instructor for the Association for Public Broadcasting in British Columbia throughout the 1970s, Hardin knows his subject well. He recalls watching the CRTC repeatedly ignore urgent challenges to its decisions

favoring the interests of Central Canadian business. But Hardin's bitter polemic betrays him in tone, and the book's strident, self-righteous tone may turn aside as many readers as it enlightens.

The Liberal government of Pierre Trudeau established the CRTC in 1968 because its predecessor, the Board of Broadcast Governors, had failed to discipline commercial television stations for not adhering to the conditions of their licenses. In 1970, under the chairmanship of Pierre Jussara, the CRTC staked out a protectionist position based on the clause in the Broadcasting Act which states that "radio frequencies are public property." The intent of federal cultural policy was to use that resource by granting licenses in accordance with more stringent Canadian content regulations. In radio, its stipulation that at least 30 per cent of the music must be Canadian has been universally credited with the success of the indigenous popular music industry. But in television, broadcasters resisted content quotas because importing U.S. programs was far more profitable than producing their own.

Meanwhile, the CRTC continued to be mainly concerned with the financial health of the private corporations bidding for its public licenses. According to Hardin, the CRTC further undermined its mandate by granting new licenses almost exclusively to commercial operators, largely ignoring license applicants with co-operative or public funding. As an alternative, he advocates a second public network which would be decentralized and regionally based. Using Britain and West Germany as examples, he concludes that only when public broadcasting is the major player can a national broadcasting system successfully implement cultural policy.

Controlled Circuits examines in depressing detail the CRTC's numerous betrayals—the capitulation to Global TV over Canadian content in the 1970s, the refusal to regulate the profits of the cable monopolies, the denial of subscriber-owned broadcasting licenses and, most infamous of all, its blind faith in pay-TV. But Hardin fails to shape the book's lengthy compendium of facts and scenarios effectively: the law defining broadcast frequencies as public property, for one, has major implications for cultural sovereignty. The United Nations Educational, Scientific and Cultural Organization is floundering over that very issue, and the subject cries out for more analysis. In addition, Hardin's shrill conspiracy for Central Canada turns regionalism into a form of racism. Still, his book makes a powerful case that it was the CRTC that drove Canadian broadcasting to the brink on which it now teeters.

—MARK CORMACK

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Girlhood fantasies

A CERTAIN MR. TAKAHASHI

By Ann Ireland
(McGill and Stewart,
206 pages, \$18.00)

There is fiction in normally a solitary affair. Only its lonetruck victims understand why a certain smile so touch sends them over the moon. In *A Certain Mr. Takahashi*, this year's winner of Seal Books' First Novel Award, Ann Ireland raises the emotional stakes of a classic teenage crush by multiplying it by two: two sisters are obsessed by their glamorous neighbor, a world-class pianist named Yuki Takahashi. Jess, 14, and Colette, 15, grower both the cold of Japan and music in the person of the exotic Yuki. Ireland presents their passion with the right degree of sticky sentiment. Jess, the true enforcer of the rituals of Yuki-worship, muses, "He spoke music, that word that was still a magic cream in our hearts, a blinding centre of dissolving sexuality we were so eager to swallow."

Indeed, that quote hints at the split personality of the novel. Although Ireland deftly portrays the aching reversion of the girls' childhood, she is at her best in the scenes that portend darker matters: specifically, the adult reckoning for an intense triangular love affair. Irrevocably Yuki, watching the adoring children turn into cold fish young ladies, could not resist the night of sexual initiation. The novel jumps back and forth between the slow seduction and preparations for a party at which the sisters, now in their 20s, work out their tangled feelings for Yuki and each other. Just before the party Jess discovers that "their" one night with Yuki had turned into many nights for Colette.

But the adult core of the novel, sexual jealousy complicated by sibling love, is underlined by the eyes through which Ireland has chosen to convey it—those of Jess, who has not yet grown out of her fantasy world. Contemplating her bruised feelings, she asks, "What color is betrayal?" Purple? Colette's feelings, those of a girl attempting bravely to leave her "Disney" world, are left mostly to the imagination. The novel reads like a series of borders that Jess must jump to reach proper maturity. *A Certain Mr. Takahashi* could pass for a sexually sophisticated "problem" fiction or read at teenagers with traumas of their own—a coming-of-age novel that needs to do a little more growing up.

—ANNE COLLINS



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A sordid sex life at the top

ODDNESS: THE SECRET LIVES
OF MARYLENE MONROE
By Anthony Summers
Candlestick Press, 424 pages, \$24.95

Since her death from a drug overdose in 1962, Marilyn Monroe has remained a subject of mystery and endless fascination. The Hollywood film star has inspired more than 35 biographies — as well as abundant speculation about the circumstances surrounding her apparent suicide. Before writing *Godless: The Secret Lives of Marilyn Monroe*, British journalist Anthony Summers conducted the most exhaustive and penetrating investigation of Monroe's personal life to date. In the course of a heroic job of research, Summers unearthed persuasive evidence of the actress' involvement with both John and Robert Kennedy. *Godless* also contains new and explosive allegations concerning Robert Kennedy's part in the depression that preceded her death at the age of 36. Summers's suggestion that the President and the attorney general of the United States each slept with the most famous actress in the world with the *New York Times* and *Washington Post* will change the way that history remembers the Kennedys.



Monroe: charm, promiscuity and crime

In workmanlike prose laden with Fleet Street clichés, Summers recounts Monroe's tragic history: instability in her family's background, her deprived childhood, her instability and drug abuse. As well, he pays tribute to Monroe's genuine comic talent and outstanding magnetism. Summers, the author of *Conspiracy: Who Killed President Kennedy?*, has applied the rigorous techniques of political investigation to his subject. He sifted through files and files and conducted 600 interviews, including a highly revealing session with the late actor Peter Lawford, who was close to Monroe and married to Patricia Kennedy, John's and Robert's sister. Summers gained access to the correspondence of Monroe's psychiatrist, the late Dr. Ralph Greenson, whom she saw several times a week toward the end of her life.

Both shrewd and generous with her favors, Monroe led a truly complicated private life. She once told an interviewer, "Nobody ever got cancer from sex." In the late 1940s Monroe began sleeping with both agents and producers to advance her career. As a young starlet in her 20s, she drew up a list of men with whom she wanted to have sex, including Albert Einstein and Ernest Hemingway. *Godless* contains a list of 40 men on the list. Monroe slept with at least three, including French actor Yves Mon-

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taud and playwright Arthur Miller, whom she later married. According to friends and lovers who spoke with Summers, Monroe was involved in four affairs while considering marriage to New York Yankees baseball star Joe DiMaggio. Four years after they divorced in 1954, the heartlessly jealous DiMaggio had his ex-wife's home bugged. DiMaggio's best friend Steve Hall, who had Mafia connections, also kept Monroe under electronic surveillance, hoping to gain evidence to blackmail the Kennedys.

Summers presents a detailed account of Monroe's involvement with the Kennedys. He writes that John Kennedy became involved with the movie star several years before his presidential nomination in the 1950s as a young U.S. senator. The author says that Kennedy, known to his many friends as "Stanley" because of his competitive neuroticism, had already pursued such actresses as Janet Leigh and Kim Novak. He also asserts that while Monroe was seeing Kennedy, she was also having an affair with Frank Sinatra at the Mafia-connected Col-Neva Lodge in Lake Tahoe, Nev., at a time when the Kennedys had declared war on organized crime.

That combustible situation became explosive when John Kennedy had his younger brother, Robert, inform the rapidly disintegrating Monroe that he would no longer be seeing her. Summers says that Robert, then the attorney general of the United States, promptly fell in love with her. But when the younger Kennedy began to regard her as a dangerous pest and stopped returning her calls, the emotionally fragile Monroe stepped up her already staggering consumption of barbiturates.

Summers toys with the notion that Monroe was murdered by organized crime but concludes that there is insufficient proof of that charge. Instead, he makes a strong case that the en involved up Robert Kennedy's involvement with Monroe—and strongly suggests that he called on her the day of her death and later removed evidence of his visit.

While Summers did a splendid research job, he does not always hit facts in a bigger context. There is little sense of the social context of Monroe's era or her role as a pioneer in the sexual revolution. Meanwhile, he presents his sensational information in a disjunct tone. With *Godless: The Secret Lives of Marilyn Monroe*, Summers has done a great service by personally clearing up some of the mystery surrounding Monroe's death. But he has failed to bring a historical perspective to her liaisons with the Kennedys—or to explore the broader significance of the golden herself.

—NORMAN SHANKS



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FILM

Travelling in an urban nightmare

AFTER HOURS

Directed by Martin Scorsese

In *After Hours* a timid computer programmer is thrown into a series of odd adventures that quickly turn nightmarish. By the time Paul (Griffin Dunne) has survived his ordeal throughout the early morning hours in Manhattan's hellacious SoHo district, the viewer feels as worn out as he does. *After Hours* opens exotically as a dark force when Paul, sitting with a copy of Henry Miller's *Tropics of Cancer*, meets Marcy (Rosanna Arquette) in a coffee shop. Later that night he calls her, and she suggests that he meet her in a SoHo loft. Paul's misery begins as he is hurried through Manhattan by a marine cabdriver and his money, a \$30 bill, flies out the window. Marcy, who at first seems like a kook, grows steadily more bizarre. Her roommate, a sculptor named Kiki (Linda Fiorentino), is working on a life-size plaster figure converted into an attitude of despair. The somewhat used Paul begins to feel as though he had landed on another planet.

Fall of wild coincidences and farcical coincidences, *After Hours* is the latest film in a new genre popularized by *Deadly Sin*. There is not a single act of kindness shown toward Paul in the movie, people appear to be grotesque but they often serve their selfish purposes. The bewitched waitress (Dori Gurr) at the Terminal Bar makes Paul back to her apartment and then presses her loneliness upon him. Later, when he returns to the

Arquette: delicious



loft, he is horrified to discover that one of his new acquaintances has overdosed and that the neighborhood has formed a vigilante group to punish him, thinking he has been betraying their houses. Even Tom (John Heard), the bartender at the Terminal Bar who had initially shown some sympathy toward Paul, prints a finger against him.

In previous films, including *Mean Streets* and *Taxi Driver*, director Martin Scorsese has plagued Manhattan's dingy landscape with sensational results. The locations in *After Hours* have a dreamlike, other-



Heard, Dunne, wild coincidences and farcical coincidences in the big city

worldly quality. The gleaming, refurbished streets are deserted and shadowed. When the vigilantes pursue Paul, they travel in a Mr. Seltzer truck that emits comical noise, and when he visits a new wave club the patrons try to give him a Mafakaz haircut.

But Scorsese has fallen back, too and clear for him the absurdities and the tones of Joseph Mankin's script. The movie is too pleadingly glam, and the characters' eccentricities are so fabulously drawn that they become little more than caricatures. The talented cast of actors has produced sensational results. Gurr has a particularly fancy anxiety attack. But even their efforts cannot redeem the film. And the countless pile up too heavily, even within the movie's farcical context.

As the suffering here Dunne has charm but no charisma. His responses to the growing horrors are too conventionally credulous to make the character interesting. It is unfortunate that a more fascinating fellow was not sent on Paul's odyssey. Toward the end, after he asks a deserted barfly if there is the stress of *It's That All There Is?*, she sighs: "You're nice to me. Why are you doing this?" The scene is a reflection of the movie's sophisticated and rather readable philosophy. *After Hours*, despite its glimmers of wit and clarity, wears its angst on its sleeve. The movie is designed for the detection of misanthropy.

—LAWRENCE D'ORVILLE

Suspicious of the heart

JAGGED EDGE
Directed by Richard Marquand

Jagged Edge is based on a classic suspense *thriller*, a blood-horned falls in love with a man who may be killer. Teddy Barnes (Glenn Close), a successful corporate lawyer, has been asked by her firm to defend one of their most valuable clients, newspaper tycoon Jack Forester (Jeff Bridges). The ambitious district attorney for whom Teddy used to work, has indicted Jack in the brutal slaying of his wife. The weapon is a switch having knife with a jagged edge which one witness claims he saw in Jack's locker. Jack's alibi is that the murderer knocked him unconscious before viciously murdering and lifting his wife. When Teddy takes on the case the soon falls in love with the suave Jack, but as the trial progresses she harbors increasing doubts about his innocence.

Jagged Edge is a suspense thriller, but its emotions are often synthetic. The heroine, a smart, suspiciously honest career woman, fails to feel a great deal of sympathy for Jan Barstow's slick, efficient script, the scenes with her two children and her ex-husband are little more than statistical background, an opportunity to demonstrate just how wonderful she is. As a new evidence emerges, proving the case in her own's favor, Teddy is horrified to realize that she is sleeping with—and in about to help free—a man who may be a killer. Still, Teddy's heroine demonstrates her vulnerability. Only when a physical danger loomed the real does the character begin to worry about her.

Close, who looks terrific as she strides across the courtroom floor, manages to inject some personality and spontaneity into a character who might just as well have been conceived as a doll and delivered through a machine. But as lovers she and Bridges generate little heat, and that makes her dilemma is less involving. And Bridges, who must tread the thin line between killer and innocent, is as stiff and clumsy

as Jeffrey Webster. Marquand moves the action along smoothly but he lacks an arresting style. And Rottenberg is unsuccessful in covering up holes in the script's logic. All that would matter very little if Teddy really seemed to be in danger. But the movie can't help suggesting that Teddy could take on the world.

—LAWRENCE O'TOOLE



Wodewalkers, Glenn vulnerable moments and subdued concepts of romance

Fumbling with feelings

90 DAYS
Directed by Giles Walker

Embarrassment can be the key to a delightful movie. In 90 Days, a witty low-budget satire from the National Film Board, director Giles Walker has captured a string of small humiliations that leave a viewer trembling in glacial recognition and horrified sympathy. From a sexual encounter resulting in an unsettling encounter in a bar, 90 Days focuses unflinchingly on the paired faces of its characters. To Walker, bewilderment and unease seem a virtual definition of modern life.

The fears and dreams of men, which formed the basis of Walker's previous film, *The Massacre of Montpelier*, also lie at the heart of 90 Days. It focuses on two Montrealers at a moment of abrupt vulnerability. Alex (Suzanne), a middle-aged man rejected by both his wife and girlfriend, and Rite (Stefan Wodewalkers), who orders a Korean bride from a catalogue. An extrovert by nature, Alex has suffered enough emotional bruises to turn him into a reflective "Rite's a nutcase, dishonest, tyrannical woman," he tells his ex-girlfriend. "I thought you were better than that." But his meetings with the mysterious Lisa (Fernanda Thorne), who offers him money to donate his sperm to an anonymous donor, force Alex to confront his confused concepts of himself.

A self-conscious man, Alex has no friends except Rite, a gentle, warm-hearted loner so afraid of suffering that

he unwittingly brings it upon himself. Unlike Alex, Rite has enormous respect for women in the abstract. Still, he finds it hard to cope with the presence of the newly arrived Wodewalkers (Christine Pank) in his apartment. After he gives her a ring and a baseball glove, he has no idea what to do next. Above all, he refuses to share his emotions. The movie has 90 days in which to marry before her life expires, and in the workshop by Wodewalkers becomes confined that the recent Rite does not live her. The movie's best, funniest moments show Alex and Wodewalkers fumbling toward communication, unable to find the gestures or words that would express their feelings.

Although Walker poses subtle questions about loneliness and urban life, he delivers no answers, dramatic or philosophical. He shot 90 Days in an intimate, documentary style, making certain that his actors engaged no false glamour. Wodewalkers in particular has a meek, smaller-than-life quality. And the film's settings are as cramped as its emotions. That makes it all the more disconcerting when Walker and his co-writer, David Wilson, resort to melodrama and hurry take at the end. The cute couples of the first scene underpin the rest of the movie. 90 Days takes a cynical and embarrassing a long and touching way, but it suffers from an inability to deal with the more intense realms of passion, despair and rage.

—MARK KALEY

Rock's war of words

Since its tumultuous birth in the 1950s, rock'n'roll has provoked strong parental reaction. In 1954 estranged parents forced the Crusades for Decent Music and labeled radio stations to ban rock's "vulgar" sounds as Elvis Presley's gyrating legs shocked television audiences. Now, three decades later, the crusade has come to life again. Prompted by the excesses of modern rock in music and video, Susan Baker, the

son expanding a counteroffensive. One group supporter, the conservative rock performer Frank Zappa, whose own material often deals explicitly with sexual matters, dismissed labeling as "the equivalent of 'banning' words of obscenity." And for his part, Muzak Majors founder Danny Goldberg, president of New York-based Gold Muzak Records, and he suspected that the parents' campaign was at least partly aimed at silencing unpopular opinions of musicians.



France: a concerted crusade to curb sexual excesses

mother of eight and wife of U.S. Treasury Secretary James Baker, formed the Parents Music Resource Center (PMRC) in Washington last May. Since then, her group has been waging a veritable campaign to clean up what she calls "porn rock"—songs peppered with references to oral sex, incest, rape, sadomasochism and necrophilia. Last month a Senate committee tackled the subject of rock lyrics in a one-day hearing. And as a result of the ongoing campaign, 38 American record companies, representing 30 per cent of the record and tape business, have now agreed to issue warning labels on albums offending adults.

But rock musicians are rebelling. Last week the recently formed Muzak Majors, a group embracing several hundred musicians and industry executives, be-

gan expanding a counteroffensive. One group supporter, the conservative rock performer Frank Zappa, whose own material often deals explicitly with sexual matters, dismissed labeling as "the equivalent of 'banning' words of obscenity." And for his part, Muzak Majors founder Danny Goldberg, president of New York-based Gold Muzak Records, and he suspected that the parents' campaign was at least partly aimed at silencing unpopular opinions of musicians.

Goldberg: "Some political forces want to put music back in its place." Calling the labeling plan an indirect form of censorship, the Muzak Majors ardently received the support of the American Civil Liberties Association.

Many recording industry executives believe that the music's powerful political connotations helped to court parents. With several other well-connected women, including Mary Elizabeth (Tyner) Gore, wife of Democratic Senator Albert Gore of Tennessee, Baker has mounted rock lyrics and found many of them to be paragonized. Said Baker recently: "We've come long ways from 'I can't get no satisfaction' [The Rolling Stones, 1965] to 'The going to make me out at tonight' [Judas Priest, 1984]." Hurt on the group's list of

banders is rock superstar Prince, whose recent song *Love Symbol Two* (such as "My sister never made love to anyone but me/Incest is everything it's made to be") featuring David, from his *Crucial Three* and *Queen-singing album Purple Ain't*, refers to a girl "masturbating to a magazine." The PMRC has also concluded that some songs by rock giants Bruce Springsteen, Cyndi Lauper and Michael Jackson are "bad for children." But it reserves its greatest wrath for the "heavy metal" groups. The culprits it cites include Twisted Sister, Judas Priest and Mötley Crüe, whose black-metal album, *Stunt or Die*, contains the song *No Nukes* to Paul's Love and the lyrics: "I'm a nuke, I'm a nuke, I'm a nuke." "We'll now be in a killing zone," watch your face turning blue."

At first, the declared aim of the parents' group was to force the recording industry to adopt a ratings system for offensive albums similar to movie classifications, without resorting to legislation. But in September the group did not object to the Recording Industry Association of America's compromise offer to try to regulate itself. Still, the prospect of having records labeled with stickers that say "Parental Advisory: Explicit Lyrics" alienated many members of the music industry. Appearing last month before the Senate Commerce Committee, Zappa found himself in an anti-labeling alliance with rock doves as conservative bullheads John Danner and Twisted Sister's frenzied lead singer, Dee Snider.

Zappa charged that the PMRC campaign was like "those sinister kind of indoctrination program to brainwash all composers and performers because of the lyrics of a few."

Still, some industry observers like Goldberg and they believed that the labeling campaign has as much to do with politics as with sex or violence. This year's Love Aid and Farm Aid benefit concerts and similar campaigns against South Africa's apartheid were widely interpreted as signs of a new trend to politicization in rock music. But whatever the cause, some other industry insiders simply wish the controversy would die down. Said Brian Robertson, president of the Canadian Recording Industry Association: "The whole thing has mushroomed into a cause which is overblown."

—FRANCIS KELLY in Washington

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *Shattered Crown*, Atys (U)
- 2 *Lordy, Colony* (U)
- 3 *The Book of David*, Alex, Boudreau (U)
- 4 *IT Tomorrow's*, Goshen (U)
- 5 *The Red Fox*, Myle (U)
- 6 *Confessions*, Muzak (U)
- 7 *The Cakes Baked*, Boudreau (U)
- 8 *Chatterboxes*, Dunn, Mervin (U)
- 9 *John's Secret*, L'Amoreux (U)
- 10 *Am*, Wm. L'Amoreux (U)

Nonfiction

- 1 *Incense, Burners with Norell* (U)
- 2 *The Canadian Encyclopedia* (U)
- 3 *Edible and Me*, Presley, Anne, Mervin (U)
- 4 *Younger, Younger and Younger* (U)
- 5 *A Passion for Excellence*, Peters and Adams (U)
- 6 *Shadows in the Light*, MacLennan (U)
- 7 *A Day in the Life of Canada*, Edited by Cohen (U)
- 8 *The World of Robert Boudreau*, Boudreau (U)
- 9 *Understanding the Corporation*, Mervin and Mervin (U)
- 10 *Golden, The Secret Lives of Marilyn Monroe*, Summers (U)

(U) Positive best seller

A fanatical face 30 years older

By Allan Fotheringham

God must love the common man, so goes the saying, because He made so many of them. Considering the majority they provide, it is amazing what they put up with. With their numbers, you would think they could, by democracy, fashion rules and laws so that the very unknown people could not stick it to them. We have before us an example of a very uncommon chap who not only sticks it to the common folk but reveals in it, boasts about it, is completely contemptuous about the whole matter. He is a character, this guy, one of the most despicable men you would ever want to meet.

You remember Ray Cohn? He was one of the two nasty little lawyers who were the backbone for Senator Joe McCarthy some 30 years ago when that unprincipled unscrupulous was terrorizing innocent people with his Communism-chasing witch-hunts. It was about the first example of the power of television, when the televised McCarthy hearings revealed to the public what a badly run headline grabber really was. Looking in the background to every shot was the fanatical face of Ray Cohn.

So now here we are in 1996 and Ray Cohn has gone another route. The former top lawyer with the Red-baiting news, the flag-waving demagogue, is a social lion in New York who gets his picture in all the slick magazines. When he throws parties, the hostesses engage such as the William F. Buckley and the Cohns himself. He wears \$1,000 tailor-made suits from Dunhill. He wears \$2,000 Cartier watches. He lives in a 35-room townhouse on the Upper East Side. He has a house in Cape Cod, next door to Norman Mailer. He has a villa in Annapolis, a condo in Miami Beach, his own plane, a 30-foot motorboat and a 42-foot motor yacht.

There is just one unusual thing about Ray. He does not pay taxes. Or his debts. He doesn't really believe in democracy at all. He's a cheat, a selfish man who has hidden all his wealth, a man who is welcome at the White House at a time

when President Reagan is talking to the common man about tax reform.

The latest records show that Ray Cohn owes some \$3,851,381.90 to the Internal Revenue Service of the United States of America. That represents unpaid taxes for the years 1969 through 1970, plus 1974, 1975, 1977 and 1983. Ray admits to be bankrupt. He owes \$467,973.75 to New York State on unpaid taxes and interest. Plus \$64,223.40 to New York City. Plus such trifles as \$258.10 to Tiffany's, dating back to 1971. Plus \$5,021.84 to New Jersey Airways over an unpaid bill dating to the 1980s.



In all, the man who lives the life of a Saudi sheik owes \$5,220,599.34.

The way he operates is best illustrated by the Steinthal affair. Some 30 years ago, Martin and Augusta Steinthal decided to sell their purchase-making company to the Loeval Corp., which made toy trains. The deal specified that the brothers were to receive \$600,000 worth of Loeval stock—which brought handsome tax benefits to Loeval and therefore his chairman, see Ray Cohn. Ray was so enthusiastic about the deal that he personally guaranteed to compensate the brothers if the stock dropped in value. Unfortunately, however, Ray somehow never got around to registering the shares owned by the Steinthals, the Loeval stock did a nose-dive, and by the time the brothers were able to sell their holdings the shares were worth \$267,000 rather than \$600,000. They sued Cohn for the difference.

That was 24 years ago, and Steinthal vs. Cohn is still in the law courts. The

brothers have long since died. Their sons and heirs are still pursuing, since \$331,922.89 isn't enough food. That's what a New York judge in 1984 ordered Cohn to pay the Steinthal family. The judgment grew over the years, with interest, and now totals \$1,160,385.84. It was back in that era, apparently, that Ray hit upon the idea of being a public pauper. As he has testified in the Steinthal case, he has no checking account. He has no savings account, no stocks, no dividends, no safety-deposit boxes, no mortgages. He travels in a chauffeur-driven Rolls-Royce or Bentley. He lives in a six-story townhouse, but you can't find his name on the ownership papers. The house is estimated to be worth \$4 million (The New York Times reported in 1987 that he paid \$225,000 in cash for it).

He is the senior partner in Stone, Bacon & Rubin, which has such clients as New York Yankee owner George Steinbrenner and "Fat Tony" Salerno, but Cohn insists he is merely a "contract employee." The law firm picks up most of his tabs. Everything is in someone else's name. This is the man, recall, who in the McCarthy days was dedicated to driving "subversives" out of the American system.

This is the man who in the 1960s was three times indicted, and three times acquitted, on such minor little charges as bribery, obstructing justice, extortion and blackmail. This is the same man who since Reagan came to power is often seen at the right Washington black-tie dinners and balls. He's on the board of a half-dozen conservative foundations and lobby groups who have so much power these days under the Reagan regime. When in Washington he stays at a fashionable new house on Capital Hill which, you guessed it, is not registered in his name.

This is the kind of man who can survive in America and absolutely thrive under the Reagan philosophy which has been described as free enterprise for the poor and socialism for the rich. The President is not having much success in getting public support for his tax reform plans. Little wonder, when the public sees among his White House guests such crooks as Ray Cohn.



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